

**2000 GENERAL ASSEMBLY**

**FB 2000-2002**

**CONFERENCE BUDGET REPORT ANALYSIS**

**G. HEALTH SERVICES**

**APRIL 14, 2000**

**2000 REGULAR SESSION**  
**FB 2000-2002**  
**CONFERENCE BUDGET REPORT ANALYSIS**

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**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Summary  
**Appropriation Unit:**

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)				14,745,600			19,790,000		
General Fund	927,507,800	927,507,800	927,507,800	1,002,745,200	995,654,100	1,003,945,600	1,071,102,600	1,062,921,600	1,072,618,000
Restricted Funds	405,586,400	405,586,400	405,586,400	412,798,700	423,266,900	415,758,700	410,168,800	415,295,400	413,128,800
Federal Funds	2,336,106,000	2,336,106,000	2,336,106,000	2,482,198,200	2,498,541,500	2,487,540,000	2,583,287,900	2,583,209,400	2,588,625,200
<b>Regular Total Funds</b>	<b>3,669,200,200</b>	<b>3,669,200,200</b>	<b>3,669,200,200</b>	<b>3,912,487,700</b>	<b>3,917,462,500</b>	<b>3,907,244,300</b>	<b>4,084,349,300</b>	<b>4,061,426,400</b>	<b>4,074,372,000</b>
General Fund Continuing	297,000	297,000	297,000						
<b>GRAND TOTAL FUNDS</b>	<b>3,669,497,200</b>	<b>3,669,497,200</b>	<b>3,669,497,200</b>	<b>3,912,487,700</b>	<b>3,917,462,500</b>	<b>3,907,244,300</b>	<b>4,084,349,300</b>	<b>4,061,426,400</b>	<b>4,074,372,000</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	227,348,600	227,348,600	227,348,600	234,844,400	238,734,500	234,671,100	245,875,500	249,683,700	245,697,800
Operating Expenses	40,292,200	40,292,200	40,292,200	41,920,600	41,644,200	41,920,600	43,685,800	43,448,500	43,685,800
Grants, Loans, Benefits	3,401,062,100	3,401,062,100	3,401,062,100	3,634,834,900	3,636,196,000	3,629,764,800	3,793,207,900	3,766,714,100	3,783,408,300
Debt Service							1,086,000	1,086,000	1,086,000
Capital Outlay	794,300	794,300	794,300	887,800	887,800	887,800	494,100	494,100	494,100
<b>TOTAL EXPENDITURES</b>	<b>3,669,497,200</b>	<b>3,669,497,200</b>	<b>3,669,497,200</b>	<b>3,912,487,700</b>	<b>3,917,462,500</b>	<b>3,907,244,300</b>	<b>4,084,349,300</b>	<b>4,061,426,400</b>	<b>4,074,372,000</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	927,507,800	927,507,800	927,507,800	968,401,600	971,176,600	969,761,600	1,026,950,100	1,033,092,400	1,030,642,400
Restricted Funds	405,586,400	405,586,400	405,586,400	402,163,300	413,123,300	409,738,300	397,187,600	407,747,600	405,247,600
Federal Funds	2,335,668,500	2,335,668,500	2,335,668,500	2,413,882,400	2,438,933,700	2,429,882,800	2,492,968,700	2,525,031,600	2,515,998,100
<b>Regular Total Funds</b>	<b>3,668,762,700</b>	<b>3,668,762,700</b>	<b>3,668,762,700</b>	<b>3,784,447,300</b>	<b>3,823,233,600</b>	<b>3,809,382,700</b>	<b>3,917,106,400</b>	<b>3,965,871,600</b>	<b>3,951,888,100</b>
General Fund Continuing	297,000	297,000	297,000						
<b>TOTAL BASE LEVEL</b>	<b>3,669,059,700</b>	<b>3,669,059,700</b>	<b>3,669,059,700</b>	<b>3,784,447,300</b>	<b>3,823,233,600</b>	<b>3,809,382,700</b>	<b>3,917,106,400</b>	<b>3,965,871,600</b>	<b>3,951,888,100</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund (Tobacco)				14,745,600			19,790,000		
General Fund				34,343,600	24,477,500	34,184,000	44,152,500	29,829,200	41,975,600
Restricted Funds				10,635,400	10,143,600	6,020,400	12,981,200	7,547,800	7,881,200
Federal Funds	437,500	437,500	437,500	68,315,800	59,607,800	57,657,200	90,319,200	58,177,800	72,627,100
<b>TOTAL ADDITIONAL</b>	<b>437,500</b>	<b>437,500</b>	<b>437,500</b>	<b>128,040,400</b>	<b>94,228,900</b>	<b>97,861,600</b>	<b>167,242,900</b>	<b>95,554,800</b>	<b>122,483,900</b>

**Agency: Summary**  
**Appropriation Unit:**

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Bond Funds				8,837,000	8,837,000	8,837,000			
Capital Const. Surplus				1,200,000	1,200,000	1,200,000			
Investment Income				700,000	700,000	700,000	1,840,000	1,840,000	1,840,000
Emer. Repair & Maint.				1,689,000	1,689,000	1,689,000			
<b>TOTAL CAPITAL</b>				<b>12,426,000</b>	<b>12,426,000</b>	<b>12,426,000</b>	<b>1,840,000</b>	<b>1,840,000</b>	<b>1,840,000</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Medicaid Services  
**Appropriation Unit:** Medicaid Services - Administration

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	19,425,000	19,425,000	19,425,000	17,323,700	17,323,700	17,323,700	18,079,900	18,079,900	18,079,900
Restricted Funds	12,231,100	12,231,100	12,231,100	10,981,000	13,941,000	13,941,000	10,811,600	13,771,600	13,771,600
Federal Funds	36,515,500	36,515,500	36,515,500	28,635,800	31,595,800	31,595,800	28,516,900	31,476,900	31,476,900
<b>Regular Total Funds</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>56,940,500</b>	<b>62,860,500</b>	<b>62,860,500</b>	<b>57,408,400</b>	<b>63,328,400</b>	<b>63,328,400</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>56,940,500</b>	<b>62,860,500</b>	<b>62,860,500</b>	<b>57,408,400</b>	<b>63,328,400</b>	<b>63,328,400</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	45,773,800	45,773,800	45,773,800	40,106,100	46,026,100	40,106,100	39,630,400	45,550,400	39,630,400
Operating Expenses	2,319,000	2,319,000	2,319,000	2,139,000	2,139,000	2,139,000	2,139,000	2,139,000	2,139,000
Grants, Loans, Benefits	20,078,800	20,078,800	20,078,800	14,695,400	14,695,400	20,615,400	15,639,000	15,639,000	21,559,000
<b>TOTAL EXPENDITURES</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>56,940,500</b>	<b>62,860,500</b>	<b>62,860,500</b>	<b>57,408,400</b>	<b>63,328,400</b>	<b>63,328,400</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	19,425,000	19,425,000	19,425,000	16,974,900	16,974,900	16,974,900	17,388,700	17,388,700	17,388,700
Restricted Funds	12,231,100	12,231,100	12,231,100	10,981,000	13,941,000	13,941,000	10,811,600	13,771,600	13,771,600
Federal Funds	36,515,500	36,515,500	36,515,500	28,284,900	31,244,900	31,244,900	27,825,600	30,785,600	30,785,600
<b>Regular Total Funds</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>56,240,800</b>	<b>62,160,800</b>	<b>62,160,800</b>	<b>56,025,900</b>	<b>61,945,900</b>	<b>61,945,900</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>68,171,600</b>	<b>56,240,800</b>	<b>62,160,800</b>	<b>62,160,800</b>	<b>56,025,900</b>	<b>61,945,900</b>	<b>61,945,900</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund				348,800	348,800	348,800	691,200	691,200	691,200
Federal Funds				350,900	350,900	350,900	691,300	691,300	691,300
<b>TOTAL ADDITIONAL</b>				<b>699,700</b>	<b>699,700</b>	<b>699,700</b>	<b>1,382,500</b>	<b>1,382,500</b>	<b>1,382,500</b>

**V. ADDITIONAL BUDGET ITEMS****2 EXPAN Supports for Community Living - Increased Administrative Costs**

(746WC0X02) Provide funds for increased administrative costs for the Supports for Community Living Program.

<b>General Fund</b>				331,800	331,800	331,800	663,600	663,600	663,600
<b>Federal Funds</b>				331,800	331,800	331,800	663,600	663,600	663,600
<b>Total</b>				<b>663,600</b>	<b>663,600</b>	<b>663,600</b>	<b>1,327,200</b>	<b>1,327,200</b>	<b>1,327,200</b>

**3 NEW Wage Equity Plan**

(746WC0X03) Support salary improvement.

CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch:		Executive Branch			Agency:		Medicaid Services			
Cabinet/Function:		Health Services			Appropriation Unit:		Medicaid Services - Administration			
		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
3	NEW	Wage Equity Plan								
(746WC0X03)		Support salary improvement.								
General Fund					17,000	17,000	17,000	27,600	27,600	27,600
Federal Funds					19,100	19,100	19,100	27,700	27,700	27,700
Total					36,100	36,100	36,100	55,300	55,300	55,300
TOTAL ADDITIONAL					699,700	699,700	699,700	1,382,500	1,382,500	1,382,500

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Medicaid Administration**

#### **BRANCH BUDGET**

The Branch Budget recommends increased funding for existing services and programs with the following exceptions:

Funding support for the Kentucky Children's Health Insurance Program is transferred to the Department for Medicaid Services from Administrative Support.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$124,000 and Federal Funds totaling \$139,800 in FY 2000-2001 and General Fund support totaling \$122,000 and Federal Funds totaling \$137,500 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: \$331,800 in General Fund support and \$331,800 in Federal Funds in FY 2000-2001 and \$663,600 in General Fund support and \$663,600 in Federal Funds in FY 2001-2002 to provide funds for increased administrative costs for the Supports for Community Living Program. Included in the Base Level Budget is \$2,923,400 in General Fund support and \$6,989,900 in Federal Funds in FY 2000-2001 and \$2,923,400 in General Fund support and \$6,989,900 in Federal Funds in FY 2001-2002 to fully fund the current fiscal agent contract.

The Branch Budget includes state funding totaling \$11,182,900 in FY 2000-2001 and \$11,451,300 in FY 2001-2002 to support the eligibility contract with the Cabinet for Families and Children for Medicaid eligibility determinations, and \$250,000 in FY 2000-2001 and \$253,600 in FY 2001-2002 for KCHIP eligibility determinations.

The Branch Budget Bill Part I, Operating Budget, includes a language provision that directs: "If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, the amount may be used for Medicaid Benefits, in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director of the Governor's Office for Policy and Management to:

- (1) Establish a new program;
- (2) Expand the services of an existing program; or
- (3) Increase rates or payment levels in an existing program.

Any transfer authorized under this section shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director of the Governor's Office for Policy and Management."

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to the transfer of General Fund or Restricted Funds from Medicaid Benefits to Medicaid Administration that directs: "It is the intent of the General Assembly that the Secretary of the Cabinet for Health Services be permitted to transfer from Medicaid Benefits to Medicaid Administration a total of up to \$3,500,000 over the biennium of the General Fund or Restricted Funds appropriations

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Medicaid Administration**

from the Medicaid Benefits budget to the Medicaid Administration budget to be used for technical assistance and costs associated with achieving Health Insurance Portability Act (HIPA) compliance for the Medicaid Management Information System. The Secretary shall recommend any proposed transfer to the State Budget Director for review and concurrence prior to transfer. Upon concurrence of the State Budget Director and prior to the transfer, the Secretary shall present the proposed plan to the Interim Joint Committee on Appropriations and Revenue."

### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$36,100 in FY 2000-2001 and \$55,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The House adds Part IX, Special Provisions, relating to Medicaid Managed Care administrative costs, dental reimbursement and the Medicaid Nursing Facility bed allocation, as follows:

b) Medicaid Service Category Expenditure Information: No Medicaid managed care contract shall be valid, and no payment to a Medicaid managed care vendor by the Finance and Administration Cabinet or Cabinet for Health Services shall be made, until the Medicaid managed care contract contains a provision that the contractor shall collect Medicaid expenditure data by the categories of services paid for by the Medicaid program. Actual statewide Medicaid expenditure data by all categories of Medicaid services, including mandated and optional Medicaid services and special expenditures/offsets, shall be compiled by the Department for Medicaid Services for all Medicaid providers and forwarded to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services shall be provided to the Interim Joint Committee on Appropriations and Revenue upon request. The Department for Medicaid Services, by July 1, 2000, shall promulgate administrative regulations to implement the provisions of this Section.

c) Medicaid Managed Care Administrative Costs: The Department for Medicaid Services shall collect information on Medicaid managed care organization administrative costs for each contracting entity and forward this information to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. No Medicaid managed care entity's administrative costs shall exceed 15% of the total Medicaid managed care contract cost;

d) Dental Reimbursement: The Department for Medicaid Services shall increase dental reimbursement by \$11,160,000 in FY 2000-2001 and \$11,144,900 in FY 2001-2002; and,

e) Medicaid Nursing Facility Allocation: The Medicaid Nursing Facility allocation for FY 1999-2000 of \$551,000,000 shall be increased a minimum of 3.1% in each year of the biennium to cover normal inflationary costs of operation. In addition to this inflationary base adjustment, \$1,000,000 in General Fund support in fiscal year 2000-2001 and \$2,000,000 in fiscal year 2001-2002 in General Fund support is provided to implement the revised Nursing Facility Prospective Payment System.



## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Medicaid Administration**

#### **SENATE REPORT**

The Senate concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$36,100 in FY 2000-2001 and \$55,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The Senate reduces General Fund support by \$4,000,000 in each fiscal year, and increases the Restricted Funds Base Level Budget by \$2,960,000 in each fiscal year. The Restricted Funds are to be received from funds available in the Claims and Recovery account (account number 14-746-W520). Federal Funds included in the Base Level Budget are reduced by \$1,160,700 in FY 2000-2001 and \$1,149,800 in FY 2001-2002 to reflect anticipated receipts and expenditures.

The Senate adds Part IX, Special Provisions, relating to Dental Reimbursement and the Medicaid Nursing Facility Allocation as follows:

b) Services Reimbursement: The Department for Medicaid Services shall increase dental reimbursement by \$3,381,800 in FY 2000-2001 and \$3,377,200 in FY 2001-2002 and optometrists' reimbursement by \$473,400 in FY 2000-2001 and \$472,800 in FY 2001-2002;

c) Medicaid Nursing Facility Allocation: The Medicaid Nursing Facility allocation for FY 1999-2000 of \$551,000,000 shall be increased a minimum of 3.1% in each year of the biennium to cover normal inflationary costs of operation;

d) Medicaid Service Category Expenditure Information: No Medicaid managed care contract shall be valid, and no payment to a Medicaid managed care vendor by the Finance and Administration Cabinet or Cabinet for Health Services shall be made, until the Medicaid managed care contract contains a provision that the contractor shall collect Medicaid expenditure data by the categories of services paid for by the Medicaid program. Actual statewide Medicaid expenditure data by all categories of Medicaid services, including mandated and optional Medicaid services and special expenditures/offsets, shall be compiled by the Department for Medicaid Services for all Medicaid providers and forwarded to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services shall be provided to the Interim Joint Committee on Appropriations and Revenue upon request. The Department for Medicaid Services, by July 1, 2000, shall promulgate administrative regulations to implement the provisions of this Section; and,

e) Medicaid Managed Care Administrative Costs: The Department for Medicaid Services shall collect information on Medicaid managed care organization administrative costs for each contracting entity and forward this information to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. No Medicaid managed care entity's administrative costs shall exceed 15% of the total Medicaid managed care contract cost.

#### **CONFERENCE REPORT**

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Medicaid Administration**

The Conference concurs with the House with the following changes:

The Conference increases the Restricted Funds Base Level Budget by \$2,960,000 in each fiscal year. The Restricted Funds are to be received from funds available in the Claims and Recovery account (account number 14-746-W520). Federal Funds are increased by \$2,960,000 in each year to reflect anticipated receipts and expenditures.

The Conference includes a redirection of the Base Level Budget, as recommended by the Branch Budget, of \$4,000,000 in General Fund support in each year and transfers these dollars to the Cabinet for Families and Children for increasing Foster Care reimbursement, and Federal Funds are reduced by \$4,000,000 in each year to reflect anticipated receipts and expenditures.

The Conference adds Part IX, Special Provisions, relating to Optometrists' Reimbursement and Kentucky Patient Access to Care (KenPAC) Program Reimbursement as follows:

d) Optometrists' Reimbursement: The Department for Medicaid Services shall increase optometrists' reimbursement by \$473,400 in FY 2000-2001 and \$472,800 in FY 2001-2002.

e) Kentucky Patient Access to Care Program (KenPAC) Reimbursement: The Medicaid Benefits Budget includes funds to implement an Enhanced Kentucky Patient Access to Care Program (KenPAC) with reimbursement to gatekeeper providers on a sliding scale of \$3 to \$9 per member per month based upon performance and quality criteria. The Department for Medicaid Services shall promulgate administrative regulations to implement an enhanced KenPAC program to be effective July 1, 2000.

f) Acquired Brain Injuries with Neurobehavioral Disorders: The Department for Medicaid Services shall work with entities providing care for individuals with acquired brain injuries accompanied by psychiatric disorders to explore options including waivers, alternative funding mechanisms and facility reclassification that may result in individuals with these conditions who qualify for Medicaid support being served in facilities in Kentucky using state and federal matching funds. If a feasible funding mechanism can be developed within the existing Medicaid Benefits framework, the Department for Medicaid Services shall be authorized to institute a pilot project to develop and implement a neurobehavioral treatment program in Kentucky. Maximum total expenditures for such a pilot program shall be limited to \$1,600,000 in each year of the biennium. If the Department for Medicaid Services institutes such a pilot project, prior to beginning the project, the Department shall submit a description of the project, including projected cost, funding sources and number of individuals to be served which shall be forwarded to the Interim Joint Committee on Health & Welfare and the Interim Joint Committee on Appropriations & Revenue. Quarterly progress reports shall be submitted to the Interim Joint Committee on Health & Welfare and the Interim Joint Committee on Appropriations & Revenue.

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Medicaid Services  
**Appropriation Unit:** Medicaid Services - Benefits

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	640,355,400	640,355,400	640,355,400	707,895,000	705,938,900	708,895,000	763,493,300	759,882,400	764,493,300
Restricted Funds	222,359,200	222,359,200	222,359,200	226,448,500	234,267,000	226,448,500	213,744,900	216,244,900	213,744,900
Federal Funds	2,095,851,900	2,095,851,900	2,095,851,900	2,253,554,300	2,267,760,300	2,255,936,100	2,354,579,300	2,352,378,800	2,356,956,600
<b>Regular Total Funds</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>3,187,897,800</b>	<b>3,207,966,200</b>	<b>3,191,279,600</b>	<b>3,331,817,500</b>	<b>3,328,506,100</b>	<b>3,335,194,800</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>3,187,897,800</b>	<b>3,207,966,200</b>	<b>3,191,279,600</b>	<b>3,331,817,500</b>	<b>3,328,506,100</b>	<b>3,335,194,800</b>
<b>II. EXPENDITURE CATEGORY</b>									
Grants, Loans, Benefits	2,958,566,500	2,958,566,500	2,958,566,500	3,187,897,800	3,207,966,200	3,191,279,600	3,331,817,500	3,328,506,100	3,335,194,800
<b>TOTAL EXPENDITURES</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>3,187,897,800</b>	<b>3,207,966,200</b>	<b>3,191,279,600</b>	<b>3,331,817,500</b>	<b>3,328,506,100</b>	<b>3,335,194,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	640,355,400	640,355,400	640,355,400	686,102,400	687,377,400	686,962,400	732,055,700	736,698,000	735,398,000
Restricted Funds	222,359,200	222,359,200	222,359,200	220,948,500	228,948,500	225,563,500	208,644,900	216,244,900	213,744,900
Federal Funds	2,095,851,900	2,095,851,900	2,095,851,900	2,188,807,800	2,210,899,100	2,201,848,200	2,268,229,300	2,297,332,200	2,288,298,700
<b>Regular Total Funds</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>3,095,858,700</b>	<b>3,127,225,000</b>	<b>3,114,374,100</b>	<b>3,208,929,900</b>	<b>3,250,275,100</b>	<b>3,237,441,600</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>2,958,566,500</b>	<b>3,095,858,700</b>	<b>3,127,225,000</b>	<b>3,114,374,100</b>	<b>3,208,929,900</b>	<b>3,250,275,100</b>	<b>3,237,441,600</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				21,792,600	18,561,500	21,932,600	31,437,600	23,184,400	29,095,300
Restricted Funds				5,500,000	5,318,500	885,000	5,100,000		
Federal Funds				64,746,500	56,861,200	54,087,900	86,350,000	55,046,600	68,657,900
<b>TOTAL ADDITIONAL</b>				<b>92,039,100</b>	<b>80,741,200</b>	<b>76,905,500</b>	<b>122,887,600</b>	<b>78,231,000</b>	<b>97,753,200</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 MTCE</b>	<b>Operations - Replacement of Pharmacy Provider Tax</b>								
(748WC0X01)	Replace the repealed pharmacy provider tax.								
<b>General Fund</b>				13,400,000	13,400,000	13,400,000	13,700,000	13,700,000	13,700,000
<b>Federal Funds</b>				31,900,000	31,900,000	31,900,000	32,500,000	32,500,000	32,500,000
<b>Total</b>				<b>45,300,000</b>	<b>45,300,000</b>	<b>45,300,000</b>	<b>46,200,000</b>	<b>46,200,000</b>	<b>46,200,000</b>
<b>2 EXPAN</b>	<b>Supports for Community Living - Additional Slots</b>								
(748WC0X02)	Provide funds to support 250 additional slots in FY 2000-2001 and an additional 250 slots in FY 2001-2002.								
<b>General Fund</b>				4,977,600	4,021,500	4,977,600	9,955,300	8,344,400	9,955,300

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Medicaid Services

**Cabinet/Function:** Health Services

**Appropriation Unit:** Medicaid Services - Benefits

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	Supports for Community Living - Additional Slots								
(748WC0X02)	Provide funds to support 250 additional slots in FY 2000-2001 and an additional 250 slots in FY 2001-2002.									
Federal Funds					11,612,700	9,578,400	11,612,700	23,225,700	19,836,600	23,225,700
Total					16,590,300	13,599,900	16,590,300	33,181,000	28,181,000	33,181,000
3	EXPAN	Dental Services - Increased Reimbursement								
(748WC0X03)	Provide funds to increase dental reimbursement.									
General Fund					2,415,000	1,000,000	2,415,000	3,300,000	1,000,000	3,300,000
Restricted Funds					885,000		885,000			
Federal Funds					7,860,000	2,381,800	7,860,000	7,844,900	2,377,200	7,844,900
Total					11,160,000	3,381,800	11,160,000	11,144,900	3,377,200	11,144,900
4	EXPAN	Nursing Facility - Increased Reimbursement								
(748WC0X04)	Provide funds to support increased nursing facility reimbursement.									
General Fund					1,000,000		1,000,000	2,000,000		2,000,000
Federal Funds					2,381,800		2,381,800	4,754,500		4,754,500
Total					3,381,800		3,381,800	6,754,500		6,754,500
5	EXPAN	Kentucky Patient Access to Care (KenPAC) Program Expansion								
(748GA01)	Provide funds to increase gatekeeper provider per member per month payments to \$9 per month in FY 2000-2001 and \$12 per month in FY 2001-2002.									
General Fund								2,482,300		
Restricted Funds					4,615,000			5,100,000		
Federal Funds					10,992,000			18,024,900		
Total					15,607,000			25,607,200		
6	EXPAN	Optometrist Services - Increased Reimbursement								
(748GA02)	Provide funds to increase optometrist reimbursement.									
General Fund						140,000	140,000		140,000	140,000
Federal Funds						333,400	333,400		332,800	332,800
Total						473,400	473,400		472,800	472,800

CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch:	Executive Branch			Agency:			Medicaid Services		
Cabinet/Function:	Health Services			Appropriation Unit:			Medicaid Services - Benefits		
FY 1999-2000			FY 2000-2001			FY 2001-2002			
House	Senate	Conference	House	Senate	Conference	House	Senate	Conference	
V. ADDITIONAL BUDGET ITEMS									
7 NEW	Liquidated Damages Medicaid Costs								
(748GA03)	Provide funds for liquidated damages from dissolved Medicaid managed care organizations.								
Restricted Funds				5,318,500					
Federal Funds				12,667,600					
Total				17,986,100					
TOTAL ADDITIONAL			92,039,100	80,741,200	76,905,500	122,887,600	78,231,000	97,753,200	

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Medicaid Services-Benefits**

#### **BRANCH BUDGET**

The Branch Budget recommends increased funding for existing services and programs with a Medicaid Benefits rate of growth of 8.5% between FY 1999-2000 and FY 2000-2001 and 4.4% between FY 2000-2001 and FY 2001-2002. Included in the Base Level Budget is an additional \$708,152,400 in General Fund support, \$226,448,500 in Restricted Funds and \$2,254,410,300 in Federal Funds in FY 2000-2001 and \$757,207,700 in General Fund support, \$213,744,900 in Restricted Funds and \$2,340,077,300 in Federal Funds in FY 2001-2002 to support increased costs due to replacing funds previously collected from the pharmacy provider tax, correcting the structural imbalance and maintaining existing Medicaid Benefits.

A consensus group, consisting of the Cabinet for Health Services, Governor's Office for Policy and Management and Governor's Office of Economic Analysis, forecasted Medicaid Benefits budgets based on an actuarial analysis of the cost per eligible by type of eligible performed by Pricewaterhouse Coopers, LLP.

The Branch Budget recommends \$93,881,200 in FY 2000-2001 and \$104,993,400 in FY 2001-2002 for the Kentucky Childrens' Health Insurance Program, including \$12,546,000 in General Fund support, \$6,896,800 in Restricted Funds and \$74,438,400 in Federal Funds in FY 2000-2001 and \$12,934,900 in General Fund support, \$8,840,700 in Restricted Funds and \$83,217,800 in Federal Funds in FY 2001-2002. Additional funds are provided as follows: a) \$13,400,000 in General Fund support and \$31,900,000 in Federal Funds in FY 2000-2001 and \$13,700,000 in General Fund support and \$32,500,000 in Federal Funds in FY 2001-2002 to replace the repealed pharmacy provider tax which expires as of July 1, 2000; b) \$4,977,600 in General Fund support and \$11,612,700 in Federal Funds in FY 2000-2001 and \$9,955,300 in General Fund support and \$23,225,700 in Federal Funds in FY 2001-2002 to support 250 additional slots in FY 2000-2001 and an additional 250 slots in FY 2001-2002 for the Supports for Community Living Program; and, c) \$1,000,000 in General Fund support and \$2,381,800 in Federal Funds in FY 2000-2001 and \$2,000,000 in General Fund support and \$4,754,500 in Federal Funds in FY 2001-2002 to support increased nursing facility reimbursements.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs that these funds are to be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Medicaid Services. Any General Fund appropriation unexpended in fiscal years 1999-2000 and 2000-2001 shall not lapse, but shall be carried forward into the next fiscal year, notwithstanding KRS 45.229.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions that direct: a) Hospital Indigent Patient Reporting: Hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments; b) Hospital Indigent Patient Billing: Hospitals shall not bill patients for services where the services have been reported to the Cabinet and the hospital has received disproportionate share payments for the specific services; c) Provider Tax Information: Any provider who posts a sign or includes information on customer receipts or any material distributed for public consumption indicating that they have paid provider tax shall also post, in the same size type set as the provider tax information, the amount of payment received from the Department for Medicaid Services during the same period the provider tax was paid. Providers who fail to meet this requirement shall be excluded from the Disproportionate Share Hospital and Medicaid Program. The Division of Licensing and Regulation shall include this provision in facilities' annual licensure inspection; d) Indigent Care Posting: Any provider who receives payment from the Disproportionate Share Hospital Program shall post a sign conspicuously in the lobby, in at least a 16-point type set, stating that they participate in the Disproportionate Share Hospital Program and are consequently required to provide indigent care. Failure to comply with this provision shall result in suspension from the Disproportionate Share Hospital Program. The Division of Licensing and Regulation shall include this provision in facilities' annual licensure inspection; e) Settlement of Obligations Incurred Prior to Prepaid Capitation: The Department is authorized to fulfill financial obligations incurred prior to implementation of prepaid capitation; f) Disproportionate Share Hospital Payments: Disproportionate Share Hospital payments shall not exceed the maximum amounts established in the Federal Balanced Budget Act of 1997; g) Quality and Charity Care Trust Fund: No hospital may be reimbursed from both the Quality and Charity Care Trust Fund and the Disproportionate Share Program (DSH) for the same service to the same patient. Any hospital that willfully violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which amount shall be credited to the General Fund. The Secretary of the

## FB 2000-2002 BUDGET MODIFICATION REPORT

### Medicaid Services-Benefits

Cabinet for Health Services shall have the authority to secure the patient information as needed from the participating facilities in order to determine compliance and enforce this provision. Each facility billing and receiving reimbursements from the Quality and Charity Care Trust Fund shall be required to identify each patient by Social Security number and indicate whether the patient is classified as indigent or medically needy. Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid Services as part of its Restricted Funds appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions; and, h) Medicaid Budget Analysis Reports: The Department for Medicaid Services shall submit a quarterly budget analysis report to the Interim Joint Committee on Appropriations and Revenue. The report shall provide monthly detail of actual expenditures, eligible, and average monthly cost per eligible by eligibility category along with current trailing 12 month averages for each of these figures. The report shall also provide actual figures for all categories of noneligible-specific expenditures such as Supplemental Medical Insurance premiums, Kentucky Patient Access to Care, nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share Hospital payments. The report shall compare the actual expenditure experience with those underlying the enacted or revised enacted budget and explain any significant variances which may occur.

The following Branch Budget assumptions are reflected in Current Services/Maintenance projections:

Blended Federal Match rates for Medicaid Benefits are projected to be: 70.43% for FY 2000-2001 and 70.39% for FY 2001-2002.

Average Current Monthly Medicaid Eligibles: Actual - 517,700 in FY 1998-1999; Projected: 516,000 in FY 1999-2000; 546,500 in FY 2000-2001; and, 549,400 in FY 2001-2002. Increases in Medicaid eligible are projected in FY 2000-2001 and FY 2001-2002 due to additional Medicaid eligible being identified and enrolled through KCHIP outreach efforts statewide.

KCHIP Eligibles: Actual FY 1998-1999: 29,000; Projected: 30,000 in FY 1999-2000; 45,000 in FY 2000-2001; and 50,000 in FY 2001-2002. Carryforward dollars are projected to be: \$109,886,800 in Restricted Fund in FY 2000-2001 and \$48,518,100 in FY 2001-2002.

Provider tax collections, with the repeal of the physicians' provider tax being complete as of July 1999, and the repeal of the pharmacy provider tax being complete in July 2000, are projected as follows: \$155,183,000 in FY 2000-2001 and \$156,386,100 in FY 2001-2002.

Disproportionate Share Hospital (DSH) payments are capped according to the 1997 Federal Balanced Budget Act. Kentucky's federal DSH payment ceiling is \$174,600,000 in FY 2000-2001 and \$164,800,000 in FY 2001-2002. Included in Kentucky's DSH cap are psychiatric DSH caps for state mental hospitals which are \$31,000,000 on FY 2000-2001 and \$29,000,000 in FY 2001-2002. State Teaching Hospital Enhanced DSH payments for the University of Kentucky (UK) and University of Louisville (U of L) Hospitals are not budgeted as payments, but are contingent upon agreement by all parties involved. DSH payments to UK and U of L Hospitals were \$65,000,000 million in FY 1998-1999.

The recommended Branch Budget assumes that the Region 3 (Louisville) Medicaid Partnership will continue to operate. Other areas of the state are expected to operate under Managed Care provisions as allowed under the 1997 Federal Balanced Budget Act.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Medicaid Services-Benefits**

#### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

Base Level Budget operating funds are redirected to the following within Medicaid Services: a) \$2,415,000 in General Fund support, \$885,000 in Restricted Funds and \$7,860,000 in Federal Funds in FY 2000-2001 and \$3,300,000 in General Fund support and \$7,844,900 in Federal Funds in FY 2001-2002 to increase dental reimbursement; and, b) \$4,615,000 in Restricted Funds and \$10,992,000 in Federal Funds in FY 2000-2001 and \$2,482,300 in General Fund support, \$5,100,000 Restricted Funds and \$18,024,900 in Federal Funds in FY 2001-2002 to increase gatekeeper provider per member per month (PMPM) payments for the Kentucky Patient Access to Care (KenPAC) program to \$9 PMPM in FY 2000-2001 and \$12 PMPM in FY 2001-2002.

Base level operating funds totaling \$6,235,000 in General Fund support in FY 2000-2001 and \$5,669,700 in General Fund support in FY 2001-2002 are redirected to additional funding items in other agencies within the Cabinet for Health Services. Federal Funds are reduced \$14,850,500 in FY 2000-2001 and \$13,478,200 in FY 2001-2002 to reflect anticipated receipts and expenditures.

The House adds Part I, Operating Budget, language, relating to an allowable Medicaid Administration General Fund transfer, as follows: If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of necessary expenses for Medicaid Benefits, an amount up to \$4,000,000 may be used for Medicaid Administration, in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director of the Governor's Office for Policy and Management. Any transfer authorized under this section shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director of the Governor's Office for Policy and Management.

#### **SENATE REPORT**

The Senate concurs with the Branch Budget recommendation with the following changes:

The Senate adjusts the Base Level Budget by reducing the General Fund support in the amount of \$8,191,100 in FY 2000-2001 and \$9,280,600 in FY 2001-2002, and increasing Restricted Funds projections by \$7,818,500 in FY 2000-2001 and \$2,500,000 in FY 2001-2002, and by reducing Federal Funds projections by \$644,500 in FY 2000-2001 and \$15,678,700 in FY 2001-2002. These adjustments reflect anticipated receipts and expenditures.

The Senate provides additional General Fund support totaling \$4,021,500 in FY 2000-2001 and \$8,344,400 in FY 2001-2002 and additional Federal Funds support totaling \$9,578,400 in FY 2000-2001 and \$19,836,600 in FY 2001-2002 to support 250 additional slots in FY 2000-2001 and an additional 250 slots in FY 2001-2002 for the Supports for Community Living Program.

The Senate deletes the additional General Fund support totaling \$1,000,000 in FY 2000-2001 and \$2,000,000 in FY 2001-2002 and Federal Funds totaling \$2,381,800 in FY 2000-2001 and \$4,754,500 in FY 2001-2002 for increased reimbursements for Nursing Facilities.

Additional funds are provided as follows: a) \$140,000 in General Fund support and \$333,400 in Federal Funds in FY 2000-2001 and \$140,000 in General Fund support and \$332,800 in Federal Funds in FY 2001-2002 to increase optometrists' reimbursements; and, b) \$5,318,500 in General Fund support and \$12,667,600 in Federal Funds in FY 2000-2001 to provide funds for liquidated damages Medicaid costs from dissolved Medicaid managed care organizations.



## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Medicaid Services-Benefits**

The Senate adds, Part IX, Special Provisions, as follows: Liquidated Damages Medicaid Costs: A total of \$17,985,800 from the Medicaid Benefits Base Level Budget shall be reserved for the payment of a portion, or all, of liquidated damages resulting from dissolving a Medicaid Partnership or Medicaid Managed Care Organization. Any portion of these funds unexpended in fiscal year 2000-2001 shall not lapse, but shall be carried forward into the next fiscal year, notwithstanding KRS 45.229.

### **CONFERENCE REPORT**

The Conference concurs with the House Budget recommendation with the following changes:

The Conference adjusts the Base Level Budget by increasing General Fund support by \$1,000,000 each year, and Federal Funds projections by \$2,381,800 in FY 2000-2001 and \$2,377,200 in FY 2001-2002. These adjustments reflect anticipated receipts and expenditures.

Additional funding support for the Kentucky Patient Access to Care (KenPAC) Program Expansion is not provided, and the following funds are used to increase the Base Level Budget: \$4,615,000 in Restricted Funds and \$10,992,000 in Federal Funds in FY 2000-2001 and \$2,482,300 in General Fund support, \$5,100,000 in Restricted Funds and \$18,024,900 in Federal Funds in FY 2001-2002.

The Conference provides additional General Fund support totaling \$140,000 in each year and additional Federal Funds support totaling \$333,400 in FY 2000-2001 and \$332,500 in FY 2001-2002 to increase optometrists' reimbursement.

The Conference provides Part IX, Special Provisions, within the Medicaid Administration Budget Unit language provisions relating to Dental Reimbursement, the Medicaid Nursing Facility Allocation, Optometrists' Reimbursement and KenPAC Reimbursement as follows:

- b. Dental Reimbursement: The Department for Medicaid Services shall increase dental reimbursement by \$11,160,000 in FY 2000-2001 and \$11,144,900 in FY 2001-2002.
- c. Medicaid Nursing Facility Allocation: The Medicaid Nursing Facility allocation for FY 1999-2000 of \$551,000,000 shall be increased a minimum of 3.1% in each year of the biennium to cover normal inflationary costs of operation. In addition to this inflationary base adjustment, \$1,000,000 in General Fund support in fiscal year 2000-2001 and \$2,000,000 in fiscal year 2001-2002 in General Fund support is provided to implement the revised Nursing Facility Prospective Payment System.
- d. Optometrists' Reimbursement: The Department for Medicaid Services shall increase optometrists' reimbursement by \$473,400 in FY 2000-2001 and \$472,800 in FY 2001-2002.
- e. Kentucky Patient Access to Care Program (KenPAC) Reimbursement: The Medicaid Benefits Budget includes funds to implement an Enhanced Kentucky Patient Access to Care Program (KenPAC) with reimbursement to gatekeeper providers on a sliding scale of \$3 to \$9 per member per month based upon performance and quality criteria. The Department for Medicaid Services shall promulgate administrative regulations to implement an enhanced KenPAC program to be effective July 1, 2000.

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**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Public Health  
**Appropriation Unit:** Public Health

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)				13,644,800			19,184,700		
General Fund	56,291,700	56,291,700	56,291,700	65,014,400	63,664,400	64,514,400	65,203,100	64,468,000	65,028,100
Restricted Funds	9,716,000	9,716,000	9,716,000	12,830,200	12,830,200	12,830,200	15,427,900	15,427,900	15,427,900
Federal Funds	129,841,200	129,841,200	129,841,200	122,036,400	122,036,400	122,036,400	122,032,300	122,032,300	122,032,300
<b>Regular Total Funds</b>	<b>195,848,900</b>	<b>195,848,900</b>	<b>195,848,900</b>	<b>213,525,800</b>	<b>198,531,000</b>	<b>199,381,000</b>	<b>221,848,000</b>	<b>201,928,200</b>	<b>202,488,300</b>
General Fund Continuing	297,000	297,000	297,000						
<b>GRAND TOTAL FUNDS</b>	<b>196,145,900</b>	<b>196,145,900</b>	<b>196,145,900</b>	<b>213,525,800</b>	<b>198,531,000</b>	<b>199,381,000</b>	<b>221,848,000</b>	<b>201,928,200</b>	<b>202,488,300</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	28,919,600	28,919,600	28,919,600	29,155,000	29,155,000	29,155,000	30,174,000	30,174,000	30,174,000
Operating Expenses	11,851,800	11,851,800	11,851,800	11,502,400	11,502,400	11,502,400	11,658,200	11,658,200	11,658,200
Grants, Loans, Benefits	155,125,200	155,125,200	155,125,200	172,708,400	157,713,600	158,563,600	179,835,800	159,916,000	160,476,100
Capital Outlay	249,300	249,300	249,300	160,000	160,000	160,000	180,000	180,000	180,000
<b>TOTAL EXPENDITURES</b>	<b>196,145,900</b>	<b>196,145,900</b>	<b>196,145,900</b>	<b>213,525,800</b>	<b>198,531,000</b>	<b>199,381,000</b>	<b>221,848,000</b>	<b>201,928,200</b>	<b>202,488,300</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	56,291,700	56,291,700	56,291,700	58,079,000	59,079,000	58,079,000	59,844,400	60,844,400	59,844,400
Restricted Funds	9,716,000	9,716,000	9,716,000	8,402,300	8,402,300	8,402,300	8,395,700	8,395,700	8,395,700
Federal Funds	129,403,700	129,403,700	129,403,700	121,579,600	121,579,600	121,579,600	121,560,200	121,560,200	121,560,200
<b>Regular Total Funds</b>	<b>195,411,400</b>	<b>195,411,400</b>	<b>195,411,400</b>	<b>188,060,900</b>	<b>189,060,900</b>	<b>188,060,900</b>	<b>189,800,300</b>	<b>190,800,300</b>	<b>189,800,300</b>
General Fund Continuing	297,000	297,000	297,000						
<b>TOTAL BASE LEVEL</b>	<b>195,708,400</b>	<b>195,708,400</b>	<b>195,708,400</b>	<b>188,060,900</b>	<b>189,060,900</b>	<b>188,060,900</b>	<b>189,800,300</b>	<b>190,800,300</b>	<b>189,800,300</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund (Tobacco)				13,644,800			19,184,700		
General Fund				6,935,400	4,585,400	6,435,400	5,358,700	3,623,600	5,183,700
Restricted Funds				4,427,900	4,427,900	4,427,900	7,032,200	7,032,200	7,032,200
Federal Funds	437,500	437,500	437,500	456,800	456,800	456,800	472,100	472,100	472,100
<b>TOTAL ADDITIONAL</b>	<b>437,500</b>	<b>437,500</b>	<b>437,500</b>	<b>25,464,900</b>	<b>9,470,100</b>	<b>11,320,100</b>	<b>32,047,700</b>	<b>11,127,900</b>	<b>12,688,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>2 EXPAN</b>	<b>General Health Support - Local Health Department Insurance Processing Fee Assessment</b>								
(728SA0X02)	Provide funds to reimburse the Personnel Cabinet for the insurance processing fee assessment (\$5 fee per employee) for local health department staff.								
<b>General Fund</b>				191,000	191,000	191,000	191,000	191,000	191,000
<b>Total</b>				<b>191,000</b>	<b>191,000</b>	<b>191,000</b>	<b>191,000</b>	<b>191,000</b>	<b>191,000</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Public Health  
**Appropriation Unit:** Public Health

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
3	EXPAN	General Health Support - Local Health Department Funding								
(728SA0X03)	Provide funds to support preventive health services for the indigent through local health departments.									
General Fund					2,000,000	2,000,000	2,000,000	3,500,000	3,000,000	3,000,000
Total					2,000,000	2,000,000	2,000,000	3,500,000	3,000,000	3,000,000
4	EXPAN	General Health Support - Local Health Transitional Training								
(728SA0X04)	Provide funds to support transitional training statewide for local health department staff.									
General Fund					2,500,000	2,000,000	2,000,000			
Total					2,500,000	2,000,000	2,000,000			
5	EXPAN	Public Health Protection and Safety - Food Fee Increase								
(728SPGX01)	Increase food inspection fees to replace local health department tax dollars. HOUSE: Provide General Fund support to partially replace proposed fee increase.									
General Fund					900,000		900,000	900,000		900,000
Restricted Funds					1,006,400	1,006,400	1,006,400	1,006,400	1,006,400	1,006,400
Total					1,906,400	1,006,400	1,906,400	1,906,400	1,006,400	1,906,400
6	EXPAN	Public Health Protection and Safety - Sanitation Fee Increase								
(728SPHX01)	Increase sanitation fees to replace local health department tax dollars; HOUSE: Provide General Fund support to partially replace proposed fee increase.									
General Fund					100,000	100,000	100,000	100,000	100,000	100,000
Restricted Funds					471,600	471,600	471,600	471,600	471,600	471,600
Total					571,600	571,600	571,600	571,600	571,600	571,600
7	EXPAN	Adult & Child Health - HANDS Program								
(728SJBX02)	Provide funds to expand services to 4,600 high-risk families in FY 2000-2001 and 8,000 high-risk families in FY 2001-2002.									
General Fund (Tobacco)					5,586,700			10,522,300		
Restricted Funds					2,934,800	2,934,800	2,934,800	5,536,000	5,536,000	5,536,000
Total					8,521,500	2,934,800	2,934,800	16,058,300	5,536,000	5,536,000
8	EXPAN	Adult & Child Health - Folic Acid Program								
(728SJBX03)	Provide funds to support services for an additional 125,000 pregnant women in each fiscal year.									

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Public Health  
**Appropriation Unit:** Public Health

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
8	EXPAN	Adult & Child Health - Folic Acid Program								
(728SJBX03)	Provide funds to support services for an additional 125,000 pregnant women in each fiscal year.									
General Fund (Tobacco)					1,530,600			1,522,400		
Total					1,530,600			1,522,400		
9	EXPAN	Adult & Child Health - Women's Cancer Screening Project								
(728SJKX02)	Provide funds to increase the number of womens' cancer screenings by 1,000 in each fiscal year.									
General Fund					200,000			200,000		
Total					200,000			200,000		
11	NEW	Wage Equity Plan								
(728SA0X05)	Support salary improvement.									
General Fund					94,400			132,600		
Restricted Funds					15,100			18,200		
Federal Funds					19,300			34,600		
Total					128,800			185,400		
12	NEW	Epidemiology and Health Planning - Universal Childrens' Immunization								
(728SDFX02)	Provide funds to provide universal immunizations for children statewide.									
General Fund (Tobacco)					2,000,000			2,000,000		
Total					2,000,000			2,000,000		
13	EXPAN	Adult and Child Health - Healthy Start Expansion								
(728SJBX05)	Provide funds to expand the Healthy Start Program to serve 1,000 licensed child care centers in FY 2000-2001 and 2,040 licensed child care centers in FY 2001-2002 statewide.									
General Fund (Tobacco)					2,000,000			2,100,000		
Total					2,000,000			2,100,000		
14	NEW	Adult and Child Health - Establish a Smoking Cessation Program								
(728SJBX06)	Provide funds to establish a statewide smoking cessation program for adults and teens through school-based initiatives.									
General Fund (Tobacco)					2,527,500			3,040,000		
Total					2,527,500			3,040,000		

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Public Health  
**Appropriation Unit:** Public Health

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>15 NEW</b>	<b>Epidemiology and Health Planning - Bioterrorism and Intimate Partner Violence Grant Programs</b>									
(728SA0X06)	Provide funds for a Public Health Preparedness and Response to Bioterrorism Grant (\$140,700) and the Surveillance of Intimate Partner Violence Grant (\$296,800) Programs.									
<b>Federal Funds</b>		437,500	437,500	437,500	437,500	437,500	437,500	437,500	437,500	437,500
<b>Total</b>		<b>437,500</b>	<b>437,500</b>	<b>437,500</b>	<b>437,500</b>	<b>437,500</b>	<b>437,500</b>	<b>437,500</b>	<b>437,500</b>	<b>437,500</b>
<b>16 NEW</b>	<b>Marcum and Wallace Memorial Hospital</b>									
(728GA01)	Provide funds to renovate the emergency room.									
<b>General Fund</b>								100,000		100,000
<b>Total</b>								<b>100,000</b>		<b>100,000</b>
<b>17 NEW</b>	<b>Pendleton County Public Health Department</b>									
(728GA02)	Provide funds to establish a public health education room, provide prostate testing for men and purchase bicycle helmets and child restraint seats.									
<b>General Fund</b>					50,000		50,000			
<b>Total</b>					<b>50,000</b>		<b>50,000</b>			
<b>18 NEW</b>	<b>Buffalo Trace Public Health Department</b>									
(728GA03)	Provide funds to support primary care services.									
<b>General Fund</b>					40,000		40,000			
<b>Total</b>					<b>40,000</b>		<b>40,000</b>			
<b>19 NEW</b>	<b>Harrison County Public Health Department</b>									
(728GA04)	Provide funds to support health education and survey activities.									
<b>General Fund</b>					65,000		65,000			
<b>Total</b>					<b>65,000</b>		<b>65,000</b>			
<b>20 NEW</b>	<b>Hazard Appalachian Regional Hospital</b>									
(728GA05)	Provide funds to establish a cardiac rehabilitation agency in Perry County.									
<b>General Fund</b>					500,000		500,000			
<b>Total</b>					<b>500,000</b>		<b>500,000</b>			

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Public Health  
**Appropriation Unit:** Public Health

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>21 NEW</b>	<b>Helping Hand - Elizabethtown</b>									
(728GA06)	Provide funds to support operating costs.									
<b>General Fund</b>					50,000		50,000			
<b>Total</b>					<b>50,000</b>		<b>50,000</b>			
<b>25 NEW</b>	<b>Henderson County Public Health Department</b>									
(728GA10)	Provide funds to support operating costs.									
<b>General Fund</b>					25,000		25,000	25,000		25,000
<b>Total</b>					<b>25,000</b>		<b>25,000</b>	<b>25,000</b>		<b>25,000</b>
<b>26 NEW</b>	<b>Bracken County Public Health Department</b>									
(728GA11)	Provide funds to support capital costs.									
<b>General Fund</b>					200,000		200,000	200,000		200,000
<b>Total</b>					<b>200,000</b>		<b>200,000</b>	<b>200,000</b>		<b>200,000</b>
<b>27 NEW</b>	<b>Fogertown Wellness Program</b>									
(728GA12)	Provide funds to support operating costs in Fogertown, Kentucky.									
<b>General Fund</b>					6,700		6,700	3,400		3,400
<b>Total</b>					<b>6,700</b>		<b>6,700</b>	<b>3,400</b>		<b>3,400</b>
<b>28 NEW</b>	<b>Brightshade Wellness Program</b>									
(728GA13)	Provide funds to support operating costs in Brightshade, Kentucky.									
<b>General Fund</b>					6,700		6,700	3,400		3,400
<b>Total</b>					<b>6,700</b>		<b>6,700</b>	<b>3,400</b>		<b>3,400</b>
<b>29 NEW</b>	<b>Oneida Wellness Program</b>									
(728GA14)	Provide funds to support operating costs in Oneida, Kentucky.									
<b>General Fund</b>					6,600		6,600	3,300		3,300
<b>Total</b>					<b>6,600</b>		<b>6,600</b>	<b>3,300</b>		<b>3,300</b>

CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch:		Executive Branch				Agency:		Public Health			
Cabinet/Function:		Health Services				Appropriation Unit:		Public Health			
FY 1999-2000			FY 2000-2001			FY 2001-2002					
House		Senate	Conference	House		Senate	Conference	House		Senate	Conference
V. ADDITIONAL BUDGET ITEMS											
30 NEW		Mobile Health Unit - Operations									
(728GA15)		Provide funds to support the operation of a Mobile Health Unit to serve as a free clinic in eastern Kentucky.									
General Fund										325,000	
Total										325,000	
TOTAL ADDITIONAL		437,500	437,500	437,500	25,464,900	9,470,100	11,320,100	32,047,700	11,127,900	12,688,000	



## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Public Health**

#### **BRANCH BUDGET**

The Branch Budget recommends increased funding for existing services and programs in FB 2000-2002. Increased funding is provided for increased costs for current services for the following: Adult and Child Health; Chronic Diseases/Prevention, EMS, Laboratory (6 PFT positions) and Communicable Diseases.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$300,900, Restricted Funds totaling \$48,100, and Federal Funds totaling \$61,500 in FY 2000-2001 and General Fund support totaling \$313,200, Restricted Funds totaling \$42,900 and Federal Funds totaling \$82,000 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: a) \$191,000 in General Fund support in each year to reimburse the Personnel Cabinet for the insurance processing fee assessment (\$5 per employee) for local health department staff; b) \$2 million in General Fund support in FY 2000-2001 and \$3.5 million in General Fund support in FY 2001-2002 to provide funding for preventive health services for the indigent through local health departments; c) \$2.5 million in General Fund support in FY 2000-2001 to provide transitional training for local health department staff; d) \$1,906,400 in Restricted Funds in each year from increased Food Inspection Fees to replace local health department tax dollars to allow local funds to be used to address other local issues; e) \$571,600 in Restricted Funds in each year from increased Sanitation Fees to replace local health department tax dollars to allow local funds to be used to address other local issues; \$5,586,700 in General Fund support (Tobacco Settlement Funds) and \$2,016,000 in Restricted Funds in FY 2000-2001 and \$10,552,300 in General Fund support (Tobacco Settlement Funds) and \$4,714,400 in Restricted Funds in FY 2001-2002 to expand the HANDS Program; f) \$1,530,600 in General Fund support (Tobacco Settlement Funds) in FY 2000-2001 and \$1,522,400 in General Fund support (Tobacco Settlement Funds) in FY 2001-2002 to expand the Folic Acid Program for pregnant women; \$200,000 in General Fund support in each year to expand the Women's Cancer Screening Project; g) \$2 million in General Fund support (Tobacco Settlement Funds) in each year to provide recommended universal immunization for children statewide; g) \$2 million in General Fund support (Tobacco Settlement Funds) in FY 2000-2001 and \$4 million in General Fund support (Tobacco Settlement Funds) in FY 2001-2002 to expand the Healthy Start Program; and, h) \$2,527,500 in General Fund support (Tobacco Settlement Funds) in FY 2000-2001 and \$3,040,000 in General Fund support (Tobacco Settlement Funds) in FY 2001-2002 to establish a statewide smoking cessation program for adults and teens through school-based initiatives.

Included in the Base Level Budget are additional Federal Funds in FY 1999-2000, FY 2000-2001 and FY 2001-2002 totaling \$437,500: \$140,700 for a Public Health Preparedness and Response to Bioterrorism Grant and \$296,800 for the Surveillance of Intimate Partner Violence Grant.

The Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs: Notwithstanding other provisions to the contrary, the Secretary shall promulgate such administrative regulations as may be required to prescribe user fee amounts which are provided in the applicable agency fund appropriations.

## FB 2000-2002 BUDGET MODIFICATION REPORT

### Public Health

The Branch Budget Bill, Part IX, Special Provisions, contains language provisions relating to Core Public Health Functions, Local Health Department Transition Training Program Carryforward and TANF fund transfers from the Cabinet for Families and Children to the Department for Public Health that direct: a) Core Public Health Functions: Kentucky Public Health Departments shall, to the extent possible, perform the following core public health functions: enforcement of public health regulations; surveillance of public health; communicable disease control; public health education; public health policy development; reduction of risk to families and children; and disaster preparedness; b) Local Health Department Transition Training Program Carryforward: Any General Fund appropriation unexpended in fiscal year 2000-2001 for the Local Health Department Funding Transition Training within the Department for Public Health shall not lapse, but shall be carried forward into fiscal year 2001-2002, notwithstanding KRS 45.229; and, c) Funds Transfer: To the extent allowed by federal regulations and the Interim Joint Committee on Appropriations and Revenue, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted as long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$128,800 in FY 2000-2001 and \$185,400 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

General Fund support totaling \$100,000 in each year is transferred to the University of Kentucky for ovarian cancer screening, and \$120,000 in General Fund support in each year is transferred to the Morehead State University Wellness Program.

Additional General Fund support is provided as follows: a) \$100,000 in FY 2001-2002 to renovate the emergency room in Marcum and Wallace Memorial Hospital; b) \$50,000 in FY 2000-2001 to provide funds to establish a public health education room, provide prostate testing for men and purchase bicycle helmets and child-restraint seats in the Pendleton County Public Health Department; c) \$40,000 in FY 2000-2001 to provide funds to support primary care services in Buffalo Trace County Public Health Department; d) \$65,000 in FY 2000-2001 to provide funds to support health education and survey activities in the Harrison County Public Health Department; e) \$500,000 in FY 2000-2001 to provide funds to establish a cardiac rehabilitation facility in Perry County; g) \$50,000 in FY 2000-2001 to provide funds to support operating costs for the Helping Hands program in Elizabethtown; f) \$1,000,000 in each year to partially replace proposed fee increases for food and sanitation inspections; g) \$25,000 in each year to provide funds to support operating costs in the Henderson County Public Health Department; h) \$200,000 in each year to provide funds for capital costs in the Bracken County Public Health Department; i) \$6,700 in FY 2000-2001 and \$3,400 in FY 2001-2002 to provide funds to support operating costs for a wellness program in Fogertown, Kentucky; j) \$6,700 in FY 2000-2001 and \$3,400 in FY 2001-2002 to provide funds

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Public Health**

to support operating costs for a wellness program in Brightshade, Kentucky; and, k) \$6,600 in FY 2000-2001 and \$3,300 in FY 2001-2002 to provide funds to support operating costs for a wellness program in Oneida, Kentucky.

The House adds Part IX, Special Provisions, relating to the Kentucky Regional Control Center, Manchester Wellness Centers, and the Folic Acid, HANDS, Healthy Start, and Vaccine Coverage as follows:

d) Kentucky Regional Poison Control Center: The contract for the operation of the Kentucky Regional Poison Control Center shall equal at least \$1,000,000 in each fiscal year, absent any pass-through to any other entities;

e) Manchester Wellness Centers: General Fund support totaling \$30,000 in FB 2000-2002 is provided for the Wellness Program in Manchester to be equally divided between the communities of Fogertown, Brightshade, and Oneida (Clay County); and,

f) Folic Acid, HANDS, Healthy Start, and Vaccine Coverage: General Fund (Tobacco) support totaling \$11,117,300 in fiscal year 2000-2001 and \$16,144,700 in fiscal year 2001-2002 and Restricted Funds support totaling \$2,934,800 in fiscal year 2000-2001 and \$5,536,000 in fiscal year 2001-2002 is provided for the Folic Acid, HANDS, Healthy Start, and Vaccine Coverage programs.

g) Abstinence Education: The department shall use federal funds and state matching funds under Title V of the Federal Social Security Act, 42 U.S.C. sec. 710, in the following manner: Ninety-five percent (95%) shall be used for community-based grants to institute abstinence education programs; five percent (5%) shall be used to administer and evaluate the effectiveness of the program; and if funds are available after funding community-based programs, the remainder shall be used to promote abstinence education by other means, including an advertising and marketing campaign.

### **SENATE REPORT**

The Senate concurs with the Branch Budget recommendation with the following changes:

The Senate transfers Phase I Tobacco Settlement General Fund appropriations for all affected budget units and activities, from Part I, Operating Budget, and other relevant parts in the Budget Bill, and provides for these appropriations in Part XI, Tobacco Settlement.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$128,800 in FY 2000-2001 and \$185,400 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Public Health**

The Senate transfers \$120,000 in General Fund support from the Base Level Budget in each fiscal year to the Morehead State University Wellness Center.

The Senate reduces General Fund support provided for local health department staff transitional training by \$500,000 in FY 2000-2001, and General Fund support for preventive health services for the indigent through local health departments by \$500,000 in FY 2001-2002, and transfers these dollars to the Base Level Budget in the Department for Mental Health/Mental Retardation.

The Senate reduces the additional Restricted Funds to be received from increased Food Inspection Fees in the amount of \$900,000 each fiscal year. These funds are to be utilized to support the Base Level Budget.

The Senate provides additional General Fund support totaling \$100,000 in each fiscal year to partially replace Sanitation Fee increases proposed by local health departments, and as a result reduces Restricted Funds in a like amount each fiscal year.

The Senate provides additional Restricted Funds totaling \$918,800 in FY 2000-2001 and \$821,600 in FY 2001-2002 for the HANDS Program.

The Senate reduces the Base Level Budget by \$437,500 in FY 1999-2000, FY 2000-2001, and FY 2001-2002 for a Public Health Preparedness and Response to Bioterrorism Grant (\$140,000) and the Surveillance of Intimate Partner Violence Grant (\$296,800) and identifies these funds as additional Federal Funds support.

The Senate adds Part IX, Special Provision, language provision relating to the Kentucky Regional Poison Control Center as follows: Kentucky Regional Poison Control Center: The contract for the operation of the Kentucky Regional Poison Control Center shall equal at least \$1,000,000 in each fiscal year, absent of any pass-through to any other entities.

The Senate deletes Part IX, Special Provisions, language provisions relating to Funds Transfers.

### **CONFERENCE REPORT**

The Conference concurs with the House with the following changes:

The Conference transfers Phase I Tobacco Settlement General Fund appropriations for all affected budget units and activities, from Part I, Operating Budget, and other relevant parts in the Budget Bill, and provides for these appropriations in Part XI, Tobacco Settlement.

The Conference reduces General Fund support provided for local health department staff transitional training by \$500,000 in FY 2000-2001, and General Fund support for preventive health services for the indigent through local health departments by \$500,000 in FY 2001-2002, and transfers these dollars to the Base Level Budget in the Department for Mental Health/Mental Retardation.

The Conference provides additional General Fund support totaling \$325,000 in FY 2001-2002 for a Mobile Health Unit to serve eastern Kentucky.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Public Health**

The Conference concurs with the House by reducing Federal Funds support in the Base Level Budget by \$437,500 in FY 1999-2000, FY 2000-2001, and FY 2001-2002 for a Public Health Preparedness and Response to Bioterrorism Grant (\$140,000) and the Surveillance of Intimate Partner Violence Grant (\$296,800) and includes these funds as additional budget items.

The Conference amends the Part IX, Special Provisions, language provision relating to Funds Transfers as follows:

Funds Transfer: To the extent allowed by federal regulations and the provisions of KRS 48.630, the Cabinet for Families and Children may transfer Temporary Assistance to Needy Families (TANF) funds to the Department for Public Health in the Cabinet for Health Services in exchange for Phase I Tobacco Settlement dollars targeted for the home visitation program. Such transfer up to \$3,000,000 per year is permitted on a dollar for dollar basis. This transfer, subject to the consent of both Cabinets, shall be permitted as long as allowed by federal regulations in order to enable the Cabinet for Families and Children to further leverage funds which could be used in the Alternatives for Children subprogram.

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**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Mental Health/Mental Retardation  
**Appropriation Unit:** Mental Health/Mental Retardation

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	158,871,800	158,871,800	158,871,800	171,531,200	169,946,200	172,231,600	182,213,900	180,578,900	182,904,300
Restricted Funds	138,114,600	138,114,600	138,114,600	146,559,800	146,559,800	146,559,800	153,172,900	153,172,900	153,172,900
Federal Funds	43,549,700	43,549,700	43,549,700	45,587,300	45,587,300	45,587,300	45,723,600	45,723,600	45,723,600
<b>Regular Total Funds</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>363,678,300</b>	<b>362,093,300</b>	<b>364,378,700</b>	<b>381,110,400</b>	<b>379,475,400</b>	<b>381,800,800</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>363,678,300</b>	<b>362,093,300</b>	<b>364,378,700</b>	<b>381,110,400</b>	<b>379,475,400</b>	<b>381,800,800</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	124,900,100	124,900,100	124,900,100	133,202,100	133,202,100	133,202,100	142,289,000	142,289,000	142,289,000
Operating Expenses	20,213,400	20,213,400	20,213,400	21,430,500	21,430,500	21,430,500	23,001,600	23,001,600	23,001,600
Grants, Loans, Benefits	194,907,600	194,907,600	194,907,600	208,471,200	206,886,200	209,171,600	214,876,100	213,241,100	215,566,500
Debt Service							702,000	702,000	702,000
Capital Outlay	515,000	515,000	515,000	574,500	574,500	574,500	241,700	241,700	241,700
<b>TOTAL EXPENDITURES</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>363,678,300</b>	<b>362,093,300</b>	<b>364,378,700</b>	<b>381,110,400</b>	<b>379,475,400</b>	<b>381,800,800</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	158,871,800	158,871,800	158,871,800	168,704,800	169,204,800	169,204,800	178,431,100	178,931,100	178,781,100
Restricted Funds	138,114,600	138,114,600	138,114,600	146,353,400	146,353,400	146,353,400	152,848,200	152,848,200	152,848,200
Federal Funds	43,549,700	43,549,700	43,549,700	45,586,000	45,586,000	45,586,000	45,721,900	45,721,900	45,721,900
<b>Regular Total Funds</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>360,644,200</b>	<b>361,144,200</b>	<b>361,144,200</b>	<b>377,001,200</b>	<b>377,501,200</b>	<b>377,351,200</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>340,536,100</b>	<b>360,644,200</b>	<b>361,144,200</b>	<b>361,144,200</b>	<b>377,001,200</b>	<b>377,501,200</b>	<b>377,351,200</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund				2,826,400	741,400	3,026,800	3,782,800	1,647,800	4,123,200
Restricted Funds				206,400	206,400	206,400	324,700	324,700	324,700
Federal Funds				1,300	1,300	1,300	1,700	1,700	1,700
<b>TOTAL ADDITIONAL</b>				<b>3,034,100</b>	<b>949,100</b>	<b>3,234,500</b>	<b>4,109,200</b>	<b>1,974,200</b>	<b>4,449,600</b>

**V. ADDITIONAL BUDGET ITEMS****4 EXPAN Community Mental Health - Deaf and Hard of Hearing Services - Additional Staff Positions**

(729TB0X04) Provide funds to support an additional 2 PFT therapist positions in each fiscal year.

<b>General Fund</b>				125,000	125,000	125,000	250,000	250,000	250,000
<b>Total</b>				<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Mental Health/Mental Retardation  
**Appropriation Unit:** Mental Health/Mental Retardation

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
5	EXPAN	Community Mental Health - Rape Crisis Services - Expand Services to Additional Clients								
(729TB0X05)		Provide funds to serve 200 additional clients in each year through 13 existing centers.								
General Fund					350,000	350,000	350,000	375,000	375,000	375,000
Total					350,000	350,000	350,000	375,000	375,000	375,000
6	NEW	Mental Health/Mental Retardation - Wage Equity Plan								
(729TA0X03)		Support salary improvement.								
General Fund					266,400	266,400	266,400	320,800	320,800	320,800
Restricted Funds					206,400	206,400	206,400	324,700	324,700	324,700
Federal Funds					1,300	1,300	1,300	1,700	1,700	1,700
Total					474,100	474,100	474,100	647,200	647,200	647,200
7	NEW	Central and Western State Hospitals (Debt Service)								
(729TS0X02)		Provide funds to support debt service for Bonding Authority totaling \$2,457,000 to replace the boiler at Central State Hospital and \$3,880,000 to build a new power plant at Western State Hospital.								
General Fund								646,000	646,000	646,000
Total								646,000	646,000	646,000
9	NEW	Wayland Therapeutic Rehabilitation Center								
(729GA03)		Provide funds to support an outreach worker.								
General Fund					25,000		25,000	25,000		25,000
Total					25,000		25,000	25,000		25,000
10	NEW	Mountain Comprehensive Care Center								
(729GA04)		Provide additional funding to support an adult crisis stabilization unit.								
General Fund					100,000		100,000	100,000		100,000
Total					100,000		100,000	100,000		100,000
11	NEW	Castlewood Group Home								
(729GA05)		Provide funds to support operating costs.								
General Fund					130,000		130,000	130,000		130,000
Total					130,000		130,000	130,000		130,000



**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Mental Health/Mental Retardation

**Cabinet/Function:** Health Services

**Appropriation Unit:** Mental Health/Mental Retardation

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>12 NEW</b>	<b>Bluegrass Regional MH/MR Board</b>									
(729GA06)	Provide funds to support operating costs in one new adult and one new childrens' crisis stabilization unit.									
<b>General Fund</b>					650,000		650,000	650,000		650,000
<b>Total</b>					<b>650,000</b>		<b>650,000</b>	<b>650,000</b>		<b>650,000</b>
<b>13 NEW</b>	<b>Day Springs Group Home</b>									
(729GA07)	Provide funds to establish support operating costs.									
<b>General Fund</b>					160,000		160,000	160,000		160,000
<b>Total</b>					<b>160,000</b>		<b>160,000</b>	<b>160,000</b>		<b>160,000</b>
<b>14 NEW</b>	<b>Fayette County Group Homes/New Beginnings</b>									
(729GA08)	Provide funds to support operating costs for three home for severely mentally ill adults.									
<b>General Fund</b>					350,000		350,000	450,000		450,000
<b>Total</b>					<b>350,000</b>		<b>350,000</b>	<b>450,000</b>		<b>450,000</b>
<b>15 NEW</b>	<b>Elizabethtown Comprehensive Care Board - Supported Living Regional Council 5</b>									
(729GA09)	Provide funding support for Supported Living.									
<b>General Fund</b>					200,000		200,000	200,000		200,000
<b>Total</b>					<b>200,000</b>		<b>200,000</b>	<b>200,000</b>		<b>200,000</b>
<b>16 NEW</b>	<b>Elizabethtown Rape Crisis Center</b>									
(729GA10)	Provide funds to support operating costs.									
<b>General Fund</b>					100,000		100,000	100,000		100,000
<b>Total</b>					<b>100,000</b>		<b>100,000</b>	<b>100,000</b>		<b>100,000</b>
<b>17 NEW</b>	<b>Elizabethtown Comprehensive Care Board</b>									
(729GA11)	Provide funds to support workshop employment.									
<b>General Fund</b>					250,000		250,000	250,000		250,000
<b>Total</b>					<b>250,000</b>		<b>250,000</b>	<b>250,000</b>		<b>250,000</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Mental Health/Mental Retardation  
**Appropriation Unit:** Mental Health/Mental Retardation

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>18 NEW</b>	<b>Elizabethtown Comprehensive Care Board</b>									
(729GA12)	Provide additional funds to support Project Learn.									
<b>General Fund</b>					50,000		50,000	50,000		50,000
<b>Total</b>					<b>50,000</b>		<b>50,000</b>	<b>50,000</b>		<b>50,000</b>
<b>19 NEW</b>	<b>Willowoods Apartments Group Homes</b>									
(729GA13)	Provide funds to renovate an existing facility.									
<b>General Fund</b>					50,000		50,000			
<b>Total</b>					<b>50,000</b>		<b>50,000</b>			
<b>20 NEW</b>	<b>Lifeskills Comprehensive Care Board</b>									
(729GA14)	Provide funds to the Association for Retarded Citizens or affiliate to purchase and operate a van.									
<b>General Fund</b>					20,000		20,000	20,000		20,000
<b>Total</b>					<b>20,000</b>		<b>20,000</b>	<b>20,000</b>		<b>20,000</b>
<b>21 NEW</b>	<b>Roof Repair Pool</b>									
(729GA15)	Provide funds to support debt service for Bond Funds totaling \$500,000 for a roof repair pool.									
<b>General Fund</b>								56,000	56,000	56,000
<b>Total</b>								<b>56,000</b>	<b>56,000</b>	<b>56,000</b>
<b>22 NEW</b>	<b>Elizabethtown Comprehensive Care Board - Washington County Duplex</b>									
(729GA16)	Provide funds to support operating costs.									
<b>General Fund</b>										150,000
<b>Total</b>										<b>150,000</b>
<b>23 NEW</b>	<b>The Point ARC of Northern Kentucky - Wendover Group Home</b>									
(729GA17)	Provide funds to support operating costs.									
<b>General Fund</b>							25,200			25,200
<b>Total</b>							<b>25,200</b>			<b>25,200</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Mental Health/Mental Retardation

**Cabinet/Function:** Health Services

**Appropriation Unit:** Mental Health/Mental Retardation

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>24 NEW</b>	<b>The Point ARC of Northern Kentucky - Hancock Group Home</b>									
(729GA18)	Provide funds to support operating costs.									
<b>General Fund</b>							15,200			15,200
<b>Total</b>							<b>15,200</b>			<b>15,200</b>
<b>25 NEW</b>	<b>The Point ARC of Northern Kentucky - Point Ridge Group Home</b>									
(729GA19)	Provide funds to support operating costs.									
<b>General Fund</b>							10,000			
<b>Total</b>							<b>10,000</b>			
<b>26 NEW</b>	<b>Boys and Girls Clubs of America's National Prevention Program</b>									
(729GA20)	Provide funds for alcohol and substance abuse treatment services.									
<b>General Fund</b>							150,000			150,000
<b>Total</b>							<b>150,000</b>			<b>150,000</b>
<b>TOTAL ADDITIONAL</b>					<b>3,034,100</b>	<b>949,100</b>	<b>3,234,500</b>	<b>4,109,200</b>	<b>1,974,200</b>	<b>4,449,600</b>

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Mental Health/Mental Retardation**

#### **BRANCH BUDGET**

The Branch Budget recommends increased funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$1,243,500, Restricted Funds totaling \$963,400 and Federal Funds totaling \$6,300 in FY 2000-2001 and General Fund support totaling \$1,460,700, Restricted Funds totaling \$1,478,300 and Federal Funds totaling \$8,100 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: a) \$125,000 in General Fund support in FY 2000-2001 and \$250,000 in General Fund support in FY 2001-2002 for two PFT therapist positions in each year for expanding deaf and hard of hearing services; \$350,000 in General Fund support in FY 2000-2001 and \$375,000 in General Fund support in FY 2001-2002 to expand services to additional clients in the 13 existing Rape Crisis Centers.

Included in the Base Budget is \$3,864,900 in General Fund support and \$2,750,000 in Restricted Funds in FY 2000-2001 and \$4,552,000 in General Fund support and \$3,000,000 in Restricted Funds in FY 2001-2002 to expand the Kentucky Early Intervention Services (KEIS - First Steps) Program.

Additional Funds are included in the Medicaid Benefits Budget for the Supports for Community Living Program (250 slots in FY 2000-2001 and an additional 250 slots in FY 2001-2002), and to maintain current service levels at Hazelwood, Oakwood and Central State Intermediate Care Facility for the Mentally Retarded/Developmentally Disabled through increased staffing levels.

Additional General Fund support totaling \$646,000 for debt service for the following projects, as authorized in the Capital Projects Budget: a) boiler replacement at Central State Hospital (\$252,000 debt service - Total Bonding Authority - \$2,457,000); and, b) a new power plant at Western State Hospital (\$394,000 debt service - Total Bonding Authority - \$3,880,000).

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to Disproportionate Share Hospital Funds and Restricted Funds Carryforward that direct: a) Mental health disproportionate share funds are budgeted at the maximum amounts permitted by the Balanced Budget Act of 1997 in the amount of \$30,900,000 in fiscal year 2000-2001 and \$29,200,000 in fiscal year 2001-2002; and, b) any Restricted Funds carryforward, up to \$900,000 each fiscal year, may be used by the Department for Mental Health and Mental Retardation Services for planned replacement of computers and software in the Residential Services Program.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funds for the following capital projects and equipment purchases: a) Bond Funds totaling \$6,337,000 in FY 2000-2001 to replace the boiler at Central State Hospital and \$3,880,000 in FY 2000-2001 to construct a new power plant at Western State Hospital; b) \$500,000 in General Fund support in FY 2000-2001 for a miscellaneous roof replacement project pool; c) \$700,000 in Investment Income in FY 2000-2001 and

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Mental Health/Mental Retardation**

\$1,840,000 in Investment Income in FY 2001-2002 for a miscellaneous projects maintenance pool; d) \$850,000 in Emergency Repair, Maintenance and Replacement Fund in FY 2000-2001 to replace the water piping system at Eastern State Hospital; and, e) \$839,000 in Emergency Repair, Maintenance and Replacement Fund in FY 2000-2001 for chiller replacement in statewide facilities.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property at Fair Oaks Lane in Franklin County with a cost that exceeds \$200,000 per year.

### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$474,100 in FY 2000-2001 and \$647,200 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund support is provided as follows: a) \$25,000 in each year to support an outreach worker at the Wayland Therapeutic Rehabilitation Center; b) \$100,000 in each year to support an adult crisis stabilization unit at Mountain Comprehensive Care Center; c) \$130,000 in each year to support operating costs at the Castlewood Prader-Willis Syndrome Group Home; d) \$650,000 in each year to support operating costs in one new adult and one new childrens' crisis stabilization unit; e) \$160,000 in each year to establish and support operating costs at the Day Springs Cerebral Palsy School; f) \$350,000 in FY 2000-2001 and \$450,000 in FY 2001-2002 to support operating costs in three Fayette County Group Homes, New Beginnings, for severely mentally ill adults; g) \$200,000 in each year for Supported Living at the Elizabethtown Communicare Comprehensive Care Board, Supported Living Regional Council 5; h) \$100,000 in each year to support operating costs in a rape crisis center in Elizabethtown; i) \$250,000 in each year to support workshop employment at the Elizabethtown Communicare Comprehensive Care Board; j) \$50,000 each year to provide additional funds to support Project Learn at the Elizabethtown Communicare Comprehensive Care Board; k) \$50,000 in FY 2000-2001 to renovate the Willowood Apartments Group Homes; and, l) \$20,000 in each year to provide funds to Lifeskills Comprehensive Care Board as a pass-through to the Association of Retarded Citizens, or an affiliate, to purchase and operate a van.

The House adds Part IX, Special Provisions, relating to the Castlewood Prader-Willis Syndrome Group Home and The Healing Place Homeless Shelter, as follows: a) Castlewood Prader Willis Syndrome Group Home: The contract for the operation of the Castlewood Prader Willis Syndrome Group Home shall equal at least \$233,000 in each fiscal year, absent any pass-throughs to any other entities; and, b) The Healing Place Homeless Shelter: The total contract amount for the operation of the Healing Place Homeless Shelter shall be paid by the Department for Mental Health/Mental Retardation directly to the Healing Place Homeless Shelter and shall not pass through any other entity.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funds for additional Bond Funds totaling \$500,000 in FY 2001-2002 for a Roof Repair Pool.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Mental Health/Mental Retardation**

#### **SENATE REPORT**

The Senate concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$474,100 in FY 2000-2001 and \$647,200 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The Senate provides additional General Fund support for the Base Level Budget totaling \$500,000 in each fiscal year.

Additional General Fund support totaling \$56,000 in FY 2001-2002 is provided to support Bond Funds totaling \$500,000 in FY 2001-2002 to establish a Roof Repair Pool. The Bond Funds are provided in Part II, Capital Projects Budget.

The Senate adds a Part IX, Special Provision, relating to Kentucky Early Intervention System Analysis Reports, as follows:

Kentucky Early Intervention System Analysis Reports: The Department for Mental Health/Mental Retardation shall submit a quarterly budget analysis report for the Kentucky Early Intervention Services program to the Interim Joint Committee on Appropriations and Revenue. The report shall provide the number of children enrolled, the average number of service units by category of service, and the average cost per service, by category of services, and compare actual expenditure experience with those underlying the enacted or revised enacted budget and explain any significant variances which may occur.

#### **CONFERENCE REPORT**

The Conference concurs with the House Budget recommendation with the following changes:

The Conference provides additional General Fund support for the Base Level Budget totaling \$500,000 in each fiscal year.

Additional General Fund support is provided as follows: a) \$150,000 in FY 2001-2002 to support operating costs in the Elizabethtown Comprehensive Care Board Washington County Duplex; b) \$25,200 in each fiscal year to support operating costs in The Point ARC of Northern Kentucky Wendover Group Home; c) \$15,200 in each fiscal year to support operating costs in The Point ARC of Northern Kentucky Hancock Group Home; d) \$10,000 in FY 2000-2001 to support operating costs in The Point ARC of Northern Kentucky Point Ridge Group Home; and, e) \$150,000 in each fiscal year for the Boys and Girls Clubs of America's National Prevention Program for alcohol and substance abuse treatment services.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Mental Health/Mental Retardation**

Additional General Fund support totaling \$56,000 in FY 2001-2002 is provided to support Bond Funds totaling \$500,000 in FY 2001-2002 to establish a Roof Repair Pool. The Bond Funds are provided in Part II, Capital Projects Budget.

The Conference identifies the Day Springs Cerebral Palsy School as the Day Springs Group Home.

The Conference adds Part IX, Special Provisions, relating to Kentucky Early Intervention System Analysis Reports, the Castlewood Prader Willis Syndrome Group Home and The Healing Place Homeless Shelter as follows:

- c) Kentucky Early Intervention System Analysis Reports: The Department for Mental Health/Mental Retardation shall submit a quarterly budget analysis report for the Kentucky Early Intervention Services program to the Interim Joint Committee on Appropriations and Revenue. The report shall provide the number of children enrolled, the average number of service units by category of service, and the average cost per service, by category of services, and compare actual expenditure experience with those underlying the enacted or revised enacted budget and explain any significant variances which may occur.
- d) Castlewood Prader Willis Syndrome Group Home: The contract for the operation of the Castlewood Prader Willis Syndrome Group Home shall equal at least \$233,000 in each fiscal year, absent any pass-throughs to any other entities.
- e) The Healing Place Homeless Shelter: The total contract amount for the operation of the Healing Place Homeless Shelter shall be paid by the Department for Mental Health/Mental Retardation directly to the Healing Place Homeless Shelter and shall not pass through any other entity.
- f) Elizabethtown Comprehensive Care Board Washington County Duplex: The contract for the operation of the Elizabethtown Comprehensive Care Board Washington County Duplex shall equal at least \$150,000 each fiscal year beginning in FY 2001-2002.

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Mental Health/Mental Retardation  
**Appropriation Unit:** Mental Health/Mental Retardation

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Bond Funds				6,837,000	6,837,000	6,837,000			
Investment Income				700,000	700,000	700,000	1,840,000	1,840,000	1,840,000
Emer. Repair & Maint.				1,689,000	1,689,000	1,689,000			
<b>TOTAL CAPITAL</b>				<b>9,226,000</b>	<b>9,226,000</b>	<b>9,226,000</b>	<b>1,840,000</b>	<b>1,840,000</b>	<b>1,840,000</b>

**II. CAPITAL PROJECTS**

<b>1</b> (7290268) <b>Water Piping Replacement System - Eastern State Hospital</b>									
<b>Emer. Repair &amp; Maint.</b>				850,000	850,000	850,000			
<b>Total</b>				<b>850,000</b>	<b>850,000</b>	<b>850,000</b>			
<b>2</b> (7290238) <b>New Power Plant - Western State Hospital</b>									
<b>Bond Funds</b>				3,880,000	3,880,000	3,880,000			
<b>Total</b>				<b>3,880,000</b>	<b>3,880,000</b>	<b>3,880,000</b>			
<b>3</b> (7290266) <b>Maintenance Pool</b>									
<b>Investment Income</b>				700,000	700,000	700,000	1,840,000	1,840,000	1,840,000
<b>Total</b>				<b>700,000</b>	<b>700,000</b>	<b>700,000</b>	<b>1,840,000</b>	<b>1,840,000</b>	<b>1,840,000</b>
<b>4</b> (7291377) <b>Miscellaneous Roof Replacement/Repair Pool</b>									
<b>Bond Funds</b>				500,000	500,000	500,000			
<b>Total</b>				<b>500,000</b>	<b>500,000</b>	<b>500,000</b>			
<b>5</b> (7291378) <b>Franklin County - Lease (Fair Oaks Building)</b>									
<b>Total</b>									
<b>6</b> (7290255) <b>Boiler Replacement - Central State Hospital</b>									
<b>Bond Funds</b>				2,457,000	2,457,000	2,457,000			
<b>Total</b>				<b>2,457,000</b>	<b>2,457,000</b>	<b>2,457,000</b>			
<b>9</b> (7290245) <b>Statewide Chiller Replacement</b>									



CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch:

Cabinet/Function:

Executive Branch  
Health Services

Agency:

Appropriation Unit:

Mental Health/Mental Retardation  
Mental Health/Mental Retardation

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
II. CAPITAL PROJECTS									
9 (7290245) Statewide Chiller Replacement									
Emer. Repair & Maint.				839,000	839,000	839,000			
Total				839,000	839,000	839,000			
TOTAL				9,226,000	9,226,000	9,226,000	1,840,000	1,840,000	1,840,000

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**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Children with Special Health Care Needs  
**Appropriation Unit:** Children with Special Health Care Needs

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)				1,100,800			605,300		
General Fund	6,190,600	6,190,600	6,190,600	5,943,000	5,943,000	5,943,000	6,176,100	6,176,100	6,176,100
Restricted Funds	5,100,000	5,100,000	5,100,000	3,495,100	3,495,100	3,495,100	3,179,000	3,179,000	3,179,000
Federal Funds	5,270,200	5,270,200	5,270,200	4,668,800	4,668,800	4,668,800	4,669,000	4,669,000	4,669,000
<b>Regular Total Funds</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>15,207,700</b>	<b>14,106,900</b>	<b>14,106,900</b>	<b>14,629,400</b>	<b>14,024,100</b>	<b>14,024,100</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>15,207,700</b>	<b>14,106,900</b>	<b>14,106,900</b>	<b>14,629,400</b>	<b>14,024,100</b>	<b>14,024,100</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	8,083,300	8,083,300	8,083,300	8,159,500	7,986,200	7,986,200	8,667,700	8,490,000	8,490,000
Operating Expenses	1,642,300	1,642,300	1,642,300	1,444,300	1,444,300	1,444,300	1,447,400	1,447,400	1,447,400
Grants, Loans, Benefits	6,810,200	6,810,200	6,810,200	5,455,600	4,528,100	4,528,100	4,446,900	4,019,300	4,019,300
Capital Outlay	25,000	25,000	25,000	148,300	148,300	148,300	67,400	67,400	67,400
<b>TOTAL EXPENDITURES</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>15,207,700</b>	<b>14,106,900</b>	<b>14,106,900</b>	<b>14,629,400</b>	<b>14,024,100</b>	<b>14,024,100</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	6,190,600	6,190,600	6,190,600	5,919,600	5,919,600	5,919,600	6,141,100	6,141,100	6,141,100
Restricted Funds	5,100,000	5,100,000	5,100,000	3,495,100	3,495,100	3,495,100	3,179,000	3,179,000	3,179,000
Federal Funds	5,270,200	5,270,200	5,270,200	4,656,100	4,656,100	4,656,100	4,650,500	4,650,500	4,650,500
<b>Regular Total Funds</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>14,070,800</b>	<b>14,070,800</b>	<b>14,070,800</b>	<b>13,970,600</b>	<b>13,970,600</b>	<b>13,970,600</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>16,560,800</b>	<b>14,070,800</b>	<b>14,070,800</b>	<b>14,070,800</b>	<b>13,970,600</b>	<b>13,970,600</b>	<b>13,970,600</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund (Tobacco)				1,100,800			605,300		
General Fund				23,400	23,400	23,400	35,000	35,000	35,000
Federal Funds				12,700	12,700	12,700	18,500	18,500	18,500
<b>TOTAL ADDITIONAL</b>				<b>1,136,900</b>	<b>36,100</b>	<b>36,100</b>	<b>658,800</b>	<b>53,500</b>	<b>53,500</b>

**V. ADDITIONAL BUDGET ITEMS****7 NEW Handicapped Childrens' Program - Universal Newborn Hearing Screening**

(767YA0X07) Provide Phase I Tobacco Settlement Funds to establish a universal newborn hearing screening program statewide.

<b>General Fund (Tobacco)</b>	1,100,800	605,300
<b>Total</b>	<b>1,100,800</b>	<b>605,300</b>

CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch:		Executive Branch			Agency:		Children with Special Health Care Needs			
Cabinet/Function:		Health Services			Appropriation Unit:		Children with Special Health Care Needs			
		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
8	NEW	Wage Equity Plan								
(767YA0X08)	Support salary improvement.									
General Fund					23,400	23,400	23,400	35,000	35,000	35,000
Federal Funds					12,700	12,700	12,700	18,500	18,500	18,500
Total					36,100	36,100	36,100	53,500	53,500	53,500
TOTAL ADDITIONAL					1,136,900	36,100	36,100	658,800	53,500	53,500

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Children with Special Health Care Needs**

#### **BRANCH BUDGET**

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs and equals \$87,000 in General Fund support and \$47,100 in Federal Funds in FY 2000-2001 and \$96,000 in General Fund support and 51,900 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: General Fund support (Phase I Tobacco Settlement Funds) totaling \$1,100,800 in FY 2000-2001 and General Fund support (Phase I Tobacco Settlement Funds) totaling \$605,300 in FY 2001-2002 to establish a statewide newborn hearing screening program.

#### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$36,100 in FY 2000-2001 and \$53,500 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The House adds Part IX, Special Provisions, relating to Universal Newborn Screening, as follows: General Fund (Tobacco) support totaling \$1,100,800 in fiscal year 2000-2001 and \$605,300 in fiscal year 2001-2002 is provided to support universal newborn screening.

#### **SENATE REPORT**

The Senate concurs with the Branch Budget recommendation with the following changes:

The Senate transfers Phase I Tobacco Settlement General Fund appropriations for all affected budget units and activities, from Part I, Operating Budget, and other relevant parts in the Budget Bill, and provides for these appropriations in Part XI, Tobacco Settlement.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$36,100 in FY 2000-2001 and \$53,500 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below

**FB 2000-2002  
BUDGET MODIFICATION REPORT**

**Children with Special Health Care Needs**

their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

**CONFERENCE REPORT**

The Conference concurs with the Senate.

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Certificate of Need  
**Appropriation Unit:** Certificate of Need

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	65,800	65,800	65,800						
Restricted Funds	384,700	384,700	384,700	462,600	462,600	462,600	484,700	484,700	484,700
<b>Regular Total Funds</b>	<b>450,500</b>	<b>450,500</b>	<b>450,500</b>	<b>462,600</b>	<b>462,600</b>	<b>462,600</b>	<b>484,700</b>	<b>484,700</b>	<b>484,700</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>450,500</b>	<b>450,500</b>	<b>450,500</b>	<b>462,600</b>	<b>462,600</b>	<b>462,600</b>	<b>484,700</b>	<b>484,700</b>	<b>484,700</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	395,500	395,500	395,500	405,800	405,800	405,800	426,100	426,100	426,100
Operating Expenses	55,000	55,000	55,000	56,800	56,800	56,800	58,600	58,600	58,600
<b>TOTAL EXPENDITURES</b>	<b>450,500</b>	<b>450,500</b>	<b>450,500</b>	<b>462,600</b>	<b>462,600</b>	<b>462,600</b>	<b>484,700</b>	<b>484,700</b>	<b>484,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	65,800	65,800	65,800						
Restricted Funds	384,700	384,700	384,700	457,700	457,700	457,700	477,700	477,700	477,700
<b>Regular Total Funds</b>	<b>450,500</b>	<b>450,500</b>	<b>450,500</b>	<b>457,700</b>	<b>457,700</b>	<b>457,700</b>	<b>477,700</b>	<b>477,700</b>	<b>477,700</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>450,500</b>	<b>450,500</b>	<b>450,500</b>	<b>457,700</b>	<b>457,700</b>	<b>457,700</b>	<b>477,700</b>	<b>477,700</b>	<b>477,700</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Restricted Funds				4,900	4,900	4,900	7,000	7,000	7,000
<b>TOTAL ADDITIONAL</b>				<b>4,900</b>	<b>4,900</b>	<b>4,900</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 EXPAN</b>	<b>Wage Equity Plan</b>								
(763FA0X01)	Support salary improvement.								
<b>Restricted Funds</b>				4,900	4,900	4,900	7,000	7,000	7,000
<b>Total</b>				<b>4,900</b>	<b>4,900</b>	<b>4,900</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>
<b>TOTAL ADDITIONAL</b>				<b>4,900</b>	<b>4,900</b>	<b>4,900</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Office of Certificate of Need**

#### **BRANCH BUDGET**

The Branch Budget recommends increased funding for existing services and programs for FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, equals \$12,400 in Restricted Funds in FY 2000-2001 and \$14,400 in Restricted Funds in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

#### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$4,900 in FY 2000-2001 and \$7,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The House adds Part IX, Special Provisions, relating to the Voluntary Relinquishment of a Certificate of Need or Licensure, as follows: For twenty-four (24) months following the voluntary closure, revocation of a certificate of need, or the revocation of licensure, the beds, equipment, and services provided by the closed facility shall be reserved for applications for any certificate of need to reestablish the same services, in whole or part, in the same county as the closed health facility.

#### **SENATE REPORT**

The Senate concurs with the House.

#### **CONFERENCE REPORT**

The Conference concurs with the House and the Senate.



**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Aging Services  
**Appropriation Unit:** Aging Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	23,337,000	23,337,000	23,337,000	25,019,800	23,819,800	25,019,800	25,584,200	24,384,200	25,584,200
Restricted Funds	12,640,300	12,640,300	12,640,300	4,965,500	4,965,500	4,965,500	5,471,300	5,471,300	5,471,300
Federal Funds	17,158,500	17,158,500	17,158,500	17,153,800	17,153,800	17,153,800	17,148,600	17,148,600	17,148,600
<b>Regular Total Funds</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>47,139,100</b>	<b>45,939,100</b>	<b>47,139,100</b>	<b>48,204,100</b>	<b>47,004,100</b>	<b>48,204,100</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>47,139,100</b>	<b>45,939,100</b>	<b>47,139,100</b>	<b>48,204,100</b>	<b>47,004,100</b>	<b>48,204,100</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	1,724,300	1,724,300	1,724,300	1,765,300	1,765,300	1,765,300	1,847,400	1,847,400	1,847,400
Operating Expenses	207,700	207,700	207,700	204,300	204,300	204,300	206,100	206,100	206,100
Grants, Loans, Benefits	51,198,800	51,198,800	51,198,800	45,164,500	43,964,500	45,164,500	46,145,600	44,945,600	46,145,600
Capital Outlay	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<b>TOTAL EXPENDITURES</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>47,139,100</b>	<b>45,939,100</b>	<b>47,139,100</b>	<b>48,204,100</b>	<b>47,004,100</b>	<b>48,204,100</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	23,337,000	23,337,000	23,337,000	23,815,300	23,815,300	23,815,300	24,377,000	24,377,000	24,377,000
Restricted Funds	12,640,300	12,640,300	12,640,300	4,965,500	4,965,500	4,965,500	5,471,300	5,471,300	5,471,300
Federal Funds	17,158,500	17,158,500	17,158,500	17,151,500	17,151,500	17,151,500	17,144,800	17,144,800	17,144,800
<b>Regular Total Funds</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>45,932,300</b>	<b>45,932,300</b>	<b>45,932,300</b>	<b>46,993,100</b>	<b>46,993,100</b>	<b>46,993,100</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>53,135,800</b>	<b>45,932,300</b>	<b>45,932,300</b>	<b>45,932,300</b>	<b>46,993,100</b>	<b>46,993,100</b>	<b>46,993,100</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				1,204,500	4,500	1,204,500	1,207,200	7,200	1,207,200
Federal Funds				2,300	2,300	2,300	3,800	3,800	3,800
<b>TOTAL ADDITIONAL</b>				<b>1,206,800</b>	<b>6,800</b>	<b>1,206,800</b>	<b>1,211,000</b>	<b>11,000</b>	<b>1,211,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>4 NEW</b>	<b>Wage Equity Plan</b>								
(769DE0X03)	Support salary improvement.								
<b>General Fund</b>				4,500	4,500	4,500	7,200	7,200	7,200
<b>Federal Funds</b>				2,300	2,300	2,300	3,800	3,800	3,800
<b>Total</b>				<b>6,800</b>	<b>6,800</b>	<b>6,800</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>

CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Cabinet/Function: Health Services

Agency: Aging Services

Appropriation Unit: Aging Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
5	EXPAN	Personal Care Attendant Program								
	(769GA01)	Provide funds to support 100 additional Personal Care Attendants.								
General Fund					1,200,000			1,200,000		
Total					1,200,000			1,200,000		
TOTAL ADDITIONAL					1,206,800	6,800	1,206,800	1,211,000	11,000	1,211,000

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Aging Services**

#### **BRANCH BUDGET**

The Branch Budget recommends decreased funding for existing services and programs for FB 2000-2002.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs and equals \$26,700 in General Fund support and \$13,900 in Federal Funds in FY 2000-2001 and \$17,500 in General Fund support and \$9,100 in Federal Funds in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to local match from contracting entities that directs: Notwithstanding KRS 205.460, entities contracting with the Cabinet to provide essential services under KRS 205.455 and this provision shall provide equal to or greater local match than the amount in effect during fiscal year 1999-2000. Local match may include any combination of materials, commodities, transportation, office space, personal services, or other types of facility services or funds. The Secretary of the Cabinet for Health Services shall prescribe the procedures to certify the local match assurance.

#### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$6,800 in FY 2000-2001 and \$11,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional funding is provided as follows: \$1,200,000 in General Fund support in each year to support 100 additional Personal Care Attendants.

#### **SENATE REPORT**

The Senate concurs with the Branch Budget recommendation with the following change:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$6,800 in FY 2000-2001 and \$11,000 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

#### **CONFERENCE REPORT**

The Conference concurs with the House.

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**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Administrative Support  
**Appropriation Unit:** Administrative Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	22,970,500	22,970,500	22,970,500	10,018,100	9,018,100	10,018,100	10,352,100	9,352,100	10,352,100
Restricted Funds	5,040,500	5,040,500	5,040,500	7,056,000	6,745,700	7,056,000	7,876,500	7,543,100	7,876,500
Federal Funds	7,919,000	7,919,000	7,919,000	10,561,800	9,739,100	10,561,800	10,618,200	9,780,200	10,618,200
<b>Regular Total Funds</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>27,635,900</b>	<b>25,502,900</b>	<b>27,635,900</b>	<b>28,846,800</b>	<b>26,675,400</b>	<b>28,846,800</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>27,635,900</b>	<b>25,502,900</b>	<b>27,635,900</b>	<b>28,846,800</b>	<b>26,675,400</b>	<b>28,846,800</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	17,552,000	17,552,000	17,552,000	22,050,600	20,194,000	22,050,600	22,840,900	20,906,800	22,840,900
Operating Expenses	4,003,000	4,003,000	4,003,000	5,143,300	4,866,900	5,143,300	5,174,900	4,937,600	5,174,900
Grants, Loans, Benefits	14,375,000	14,375,000	14,375,000	442,000	442,000	442,000	447,000	447,000	447,000
Debt Service							384,000	384,000	384,000
<b>TOTAL EXPENDITURES</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>27,635,900</b>	<b>25,502,900</b>	<b>27,635,900</b>	<b>28,846,800</b>	<b>26,675,400</b>	<b>28,846,800</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	22,970,500	22,970,500	22,970,500	8,805,600	8,805,600	8,805,600	8,712,100	8,712,100	8,712,100
Restricted Funds	5,040,500	5,040,500	5,040,500	6,559,800	6,559,800	6,559,800	7,359,200	7,359,200	7,359,200
Federal Funds	7,919,000	7,919,000	7,919,000	7,816,500	7,816,500	7,816,500	7,836,400	7,836,400	7,836,400
<b>Regular Total Funds</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>23,181,900</b>	<b>23,181,900</b>	<b>23,181,900</b>	<b>23,907,700</b>	<b>23,907,700</b>	<b>23,907,700</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>35,930,000</b>	<b>23,181,900</b>	<b>23,181,900</b>	<b>23,181,900</b>	<b>23,907,700</b>	<b>23,907,700</b>	<b>23,907,700</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund				1,212,500	212,500	1,212,500	1,640,000	640,000	1,640,000
Restricted Funds				496,200	185,900	496,200	517,300	183,900	517,300
Federal Funds				2,745,300	1,922,600	2,745,300	2,781,800	1,943,800	2,781,800
<b>TOTAL ADDITIONAL</b>				<b>4,454,000</b>	<b>2,321,000</b>	<b>4,454,000</b>	<b>4,939,100</b>	<b>2,767,700</b>	<b>4,939,100</b>

**V. ADDITIONAL BUDGET ITEMS****1 NEWMAN Administrative Support - Establish Office of Women's Health**

(721AA0X01) Provide funds to support personnel and operating costs relating to the establishment of an Office of Women's Health (3 PFT).

<b>General Fund</b>				134,700	134,700	134,700	138,000	138,000	138,000
<b>Restricted Funds</b>				23,700	23,700	23,700	24,500	24,500	24,500
<b>Total</b>				<b>158,400</b>	<b>158,400</b>	<b>158,400</b>	<b>162,500</b>	<b>162,500</b>	<b>162,500</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Administrative Support  
**Appropriation Unit:** Administrative Support

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>2 NEW</b>	<b>Administrative Support - Establish Business Trends and Economic Analysis Branch</b>									
(721AA0X02)	Provide funds to support personnel and operating costs relating to the establishment of a Business Trends and Economic Analysis Branch (8 PFT).									
<b>General Fund</b>					349,000		349,000	358,600		358,600
<b>Federal Funds</b>					61,600		61,600	63,300		63,300
<b>Total</b>					<b>410,600</b>		<b>410,600</b>	<b>421,900</b>		<b>421,900</b>
<b>3 NEW</b>	<b>Administrative Support - Establish Distance Communication Center</b>									
(721AA0X03)	Provide funds to support personnel and operating costs relating to the establishment of a Distance Communications Center (4 PFT).									
<b>General Fund</b>					152,800		152,800	145,200		145,200
<b>Restricted Funds</b>						152,800			145,200	
<b>Federal Funds</b>					27,000	27,000	27,000	25,600	25,600	25,600
<b>Total</b>					<b>179,800</b>	<b>179,800</b>	<b>179,800</b>	<b>170,800</b>	<b>170,800</b>	<b>170,800</b>
<b>4 EXPAN</b>	<b>Office of the Inspector General - Establish Complaints Investigation Team</b>									
(723AB0X02)	Provide funds to support personnel and operating costs relating to the establishment of a Complaints Investigation Team (8 PFT).									
<b>General Fund</b>					209,800		209,800	218,500		218,500
<b>Federal Funds</b>					209,700		209,700	218,500		218,500
<b>Total</b>					<b>419,500</b>		<b>419,500</b>	<b>437,000</b>		<b>437,000</b>
<b>5 EXPAN</b>	<b>Office of the Inspector General - Expand Survey and Certification Branch</b>									
(723AB0X01)	Provide funds to support personnel and operating costs relating to the expansion of the Survey & Certification Branch (20 PFT Inspectors).									
<b>General Fund</b>					88,400		88,400	77,700		77,700
<b>Restricted Funds</b>					463,100		463,100	478,600		478,600
<b>Federal Funds</b>					551,400		551,400	556,200		556,200
<b>Total</b>					<b>1,102,900</b>		<b>1,102,900</b>	<b>1,112,500</b>		<b>1,112,500</b>
<b>6 EXPAN</b>	<b>Office of the Inspector General - Additional day care licensing staff.</b>									
(723AB0X03)	Provide funds to support personnel and operating costs for additional day care licensing staff (35 PFT).									
<b>Federal Funds</b>					1,851,100	1,851,100	1,851,100	1,851,100	1,851,100	1,851,100
<b>Total</b>					<b>1,851,100</b>	<b>1,851,100</b>	<b>1,851,100</b>	<b>1,851,100</b>	<b>1,851,100</b>	<b>1,851,100</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Administrative Support  
**Appropriation Unit:** Administrative Support

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>7 NEW</b>	<b>Office of the Inspector General - Wage Equity Plan</b>									
(723AB0X04)	Support salary improvement.									
<b>General Fund</b>					77,800	77,800	77,800	118,000	118,000	118,000
<b>Restricted Funds</b>					9,400	9,400	9,400	14,200	14,200	14,200
<b>Federal Funds</b>					44,500	44,500	44,500	67,100	67,100	67,100
<b>Total</b>					<b>131,700</b>	<b>131,700</b>	<b>131,700</b>	<b>199,300</b>	<b>199,300</b>	<b>199,300</b>
<b>8 NEW</b>	<b>Administrative Support - Statewide Public Health System</b>									
(721AA0X04)	Provide funds to support debt service for Bonding Authority totaling \$2,000,000 to establish a statewide public health system.									
<b>General Fund</b>								384,000	384,000	384,000
<b>Total</b>								<b>384,000</b>	<b>384,000</b>	<b>384,000</b>
<b>9 NEW</b>	<b>Office of the Inspector General - Establish a Home Health Aide Registry</b>									
(721GA01)	Provide General Fund support to establish a home health aide registry.									
<b>General Fund</b>					200,000		200,000	200,000		200,000
<b>Total</b>					<b>200,000</b>		<b>200,000</b>	<b>200,000</b>		<b>200,000</b>
<b>TOTAL ADDITIONAL</b>					<b>4,454,000</b>	<b>2,321,000</b>	<b>4,454,000</b>	<b>4,939,100</b>	<b>2,767,700</b>	<b>4,939,100</b>

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Administrative Support**

#### **BRANCH BUDGET**

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Funding support for the Kentucky Childrens' Health Insurance Program is transferred to the Department for Medicaid Services. Included in the Base Level Budget recommendation is \$134,700 in General Fund support and \$23,700 in Restricted Funds in FY 2000-2001 and \$138,000 in General Fund support and \$24,500 in Restricted Funds in FY 2001-2002 to establish an Office of Women's Health.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$251,300, Restricted Funds totaling \$38,200 and Federal Funds totaling \$143,800 in FY 2000-2001 and General Fund Support totaling \$258,800, Restricted Funds totaling \$31,100 and Federal Funds totaling \$147,400 in FY 2001-2002, is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary improvements equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

Additional funding is provided as follows: a) \$349,000 in Restricted Funds and \$61,600 in Federal Funds in FY 2000-2001 and \$358,600 in Restricted Funds and \$63,300 in Federal Funds in FY 2001-2002 to establish a Business Trends and Economic Analysis Branch (8 PFT); b) \$152,800 in Restricted Funds and \$27,000 in Federal Funds in FY 2000-2001 and \$145,200 in Restricted Funds and \$25,600 in Federal Funds in FY 2001-2002 to establish a Distance Communications Center (4 PFT); c) \$209,800 in Restricted Funds and \$209,700 in Federal Funds in FY 2000-2001 and \$218,500 in Restricted Funds and \$218,500 in Federal Funds in FY 2001-2002 to establish a Complaints Investigation Team (8 PFT); d) \$551,500 in Restricted Funds and \$551,400 in Federal Funds in FY 2000-2001 and \$556,300 in Restricted Funds and \$556,200 in Federal Funds in FY 2001-2002 to expand the Survey and Certification Branch by 20 PFT inspectors; and, e) \$1,851,100 in Restricted Funds in FY 2000-2001 and \$1,851,100 in Federal Funds in FY 2001-2002 for 35 PFT additional day care licensing staff.

Additional General Fund support is provided for debt service totaling \$384,000 in FY 2001-2002 to support Bond Funds totaling \$2 million to establish a Statewide Public Health Information System.

The Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct: a) the Secretary shall be authorized to promulgate such administrative regulations as may be required to prescribe user fee amounts which are reflected in the Restricted Funds appropriations above; and, b) the enacted fiscal year 1999-2000 appropriation in House Bill 321 (1998 Ky. Acts ch. 615) includes \$65,700 from the General Fund which is authorized to be provided to the new Office of Women's Health, which is being established within the Administrative Support appropriation unit in accordance with KRS 194A.095, from the Office of Certificate of Need.

The Branch Budget Bill, Part IX, Special Provisions, includes a language provision relating to the identification of maximized Federal Funds as follows: Pursuant to compliance with the State/Executive Budget Bill and the statutory budget memorandum, the Cabinet shall maximize all Federal Funds for programs within the Cabinet.



## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Administrative Support**

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects and equipment purchases: a) Bonding Authority totaling \$2,000,000 in FY 2000-2001 to establish a Statewide Public Health Information System; and, b) \$1,200,000 in Capital Construction Surplus to establish a Childrens' Health Information System.

### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$ 131,700 in FY 2000-2001 and \$199,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

Additional General Fund support is provided for the following: \$349,000 in FY 2000-2001 and \$358,600 in FY 2001-2002 to establish a Business Trends and Economic Analysis Branch; \$152,800 in FY 2000-2001 and \$145,200 in FY 2001-2002 to establish a Distance Communication Center; \$209,800 in FY 2000-2001 and \$218,500 in FY 2001-2002 to establish a Complaints Investigation Team; \$88,400 in FY 2000-2001 and \$77,700 in FY 2001-2002 to expand the Survey and Certification Branch; and, \$200,000 in each year to establish a home health aide registry.

The House provides Part IX, Special Provisions, relating to licensing personnel, as follows: Licensing Personnel: Federal Funds support totaling \$1,851,100 in fiscal year 2000-2001 and \$1,851,100 in fiscal year 2001-2002 is provided for licensing personnel.

### **SENATE REPORT**

The Senate concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$131,700 in FY 2000-2001 and \$199,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The Senate deletes the additional funding support that was included in the Branch Budget recommendation for the following purposes: Establishment of the Business Trends and Economic Analysis Branch; Establishment of the Complaints Investigation Team; and, Expansion of the Survey and Certification Branch.

**FB 2000-2002**  
**BUDGET MODIFICATION REPORT**

**Administrative Support**

The Senate adds Part IX, language provision, relating to the Identification of Maximized Federal Funds, as follows: The Cabinet shall attach a listing, by Department, to the Agency Budget Request of additional Federal Funds obtained during the biennium through maximizing Federal Funds.

**CONFERENCE REPORT**

The Conference concurs with the House with the following change:

The Conference adds a Part IX, Special Provisions, language provision under the Cabinet for Health Services, relating to the Identification of Maximized Federal Funds, as follows: The Cabinet shall attach a listing, by Department, to the Agency Budget Request of additional Federal Funds obtained during the biennium through maximizing Federal Funds.

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Health Services

**Agency:** Administrative Support  
**Appropriation Unit:** Administrative Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Bond Funds				2,000,000	2,000,000	2,000,000			
Capital Const. Surplus				1,200,000	1,200,000	1,200,000			
<b>TOTAL CAPITAL</b>				<b>3,200,000</b>	<b>3,200,000</b>	<b>3,200,000</b>			
<b>II. CAPITAL PROJECTS</b>									
<b>1</b> (7210001) <b>Childrens' Health Information System</b>									
<b>Capital Const. Surplus</b>				1,200,000	1,200,000	1,200,000			
<b>Total</b>				<b>1,200,000</b>	<b>1,200,000</b>	<b>1,200,000</b>			
<b>8</b> (721AA0X04) <b>Administrative Support - Statewide Public Health System</b>									
<b>Bond Funds</b>				2,000,000	2,000,000	2,000,000			
<b>Total</b>				<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>			
<b>TOTAL</b>				<b>3,200,000</b>	<b>3,200,000</b>	<b>3,200,000</b>			

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